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Application Proof of

Red Avenue New Materials Group Co., Ltd.
彤程新材料集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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彤程新材料集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to [REDACTED])**
Nominal value	:	**RMB1.00 per H Share**
[REDACTED]	:	**[REDACTED]**

Sole Sponsor, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

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CONTENTS

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Page

Expected Timetable iii

Contents vi

Summary 1

Definitions 11

Glossary of Technical Terms 22

Forward-looking Statements 25

Risk Factors 27

Waivers 46

Information about this Document and the [REDACTED] 55

Directors and Parties Involved in the [REDACTED] 60

Corporate Information 64

Industry Overview 66

Regulatory Overview 80

History, Development and Corporate Structure 94

Business 105

CONTENTS

Page

Relationship with our Controlling Shareholders 168

Directors and Senior Management 172

Substantial Shareholders 187

Share Capital 188

Financial Information 193

Future Plans and Use of [REDACTED] 252

[REDACTED] 254

Structure of the [REDACTED] 266

How to Apply for [REDACTED] 276

Appendix I — Accountants' Report I-1

Appendix II — Unaudited [REDACTED] Financial Information II-1

Appendix III — Summary of Principal Legal and Regulatory Provisions III-1

Appendix IV — Taxation and Foreign Exchange IV-1

Appendix V — Summary of the Articles of Association V-1

Appendix VI — Statutory and General Information VI-1

Appendix VII— Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to ***[REDACTED]*** *in the* ***[REDACTED]****. There are risks associated with any* ***[REDACTED]****. Some of the particular risks in* ***[REDACTED]*** *in the* ***[REDACTED]*** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* ***[REDACTED]*** *in the* ***[REDACTED]****.*

OVERVIEW

Who we are

We are a leading comprehensive new materials service provider in the PRC focusing on advanced chemical products. We are primarily engaged in the R&D, production, marketing, sales and distribution of new chemical materials. During the Track Record Period, our principal businesses comprised three segments, namely (i) electronic materials; (ii) rubber additives for tyres and other chemical products; and (iii) fully biodegradable materials. With respect to electronic materials, we ranked first, in terms of sales revenue, among PRC suppliers in both the PRC semiconductor photoresist market and the PRC TFT array photoresist market in 9M2025. On the other hand, with respect to our rubber additives for tyres and other chemical products segment, according to the F&S Report, we ranked first in sales revenue in both the global and PRC phenolic resins rubber additives for tyres markets in 9M2025. In addition, based on the statistics issued by Rubber Chemicals Additives Committee of the China Rubber Industry Association (中國橡膠工業協會橡膠助劑專業委員會), we ranked first among all producers for phenolic resin for rubber in the PRC in 2024.

Our history can be traced back to 1999 when we commenced our operations in the international trading of chemical materials for tyres. Leveraging on our industry experience, we subsequently expanded upstream by establishing our production bases and have since developed into a platform enterprise integrating R&D, manufacturing and sales functions. In 2018, we successfully listed on the Shanghai Stock Exchange. Building on our accumulated technological capabilities and industry experience, we have continued to expand both horizontally and vertically along the industry value chain. We have gradually acquired controlling interests in BAE, a leading domestic supplier of photoresists for display panels in the PRC and Kempur, a leading domestic supplier of semiconductor photoresist. We also tapped into the fully biodegradable materials sector by developing products relating to PBAT. For further details of our milestones, please refer to the section headed "History, development and corporate structure — Milestones" in this document.

Our business and products

Our product offerings under the electronic materials segment are mainly divided into (i) semiconductor materials, including semiconductor photoresists, CMP polishing pads, high-purity solvents and EBR; and (ii) display panel materials, including display photoresists, organic insulating films and light-emitting materials. Our electronic materials are mainly used in the production of semiconductors and display panels by our downstream customers. Under our rubber additives for tyres and other chemical products business segment, our major product categories include rubber resins and additives such as phenolic resins, PTBP as well as other chemical products. These products are primarily used in the production of automobile tyres and other rubber products to optimize various properties of rubber products such as their stickiness, strength and safety. In respect of our fully biodegradable materials segment, our products primarily include PBAT products mainly used in packaging materials and agricultural mulch films.

We are positioned in the midstream of the industry chain, supplying functional resins, photoresists and ancillary chemical products to downstream industries including producers of tyres, automobiles, semiconductors and display panels. Our principal raw materials include phenol, formaldehyde, resins and solvents. Apart from sourcing the raw materials from our suppliers, we are also committed to extending our operations upstream from our core products into the production of key raw materials and intermediates, with a view to

realise in-house production of certain key intermediates to ensure supply stability, enhance cost control and improve our overall capability in providing comprehensive supply to our downstream customers.

As at the Latest Practicable Date, we had seven production facilities, namely, (i) the RA Chemical factory; (ii) the Sino Legend factory; (iii) the RA Zhenjiang factory; (iv) the RA Electronic factory; (v) the BAE (Hubei) factory; (vi) Kempur factory; and (vii) the RA Changzhou factory. For details, please refer to the section headed "Business — Production — Production facilities".

We continue to invest in and expand our production capacity through construction of new production facilities, as well as the upgrading and expansion of our existing production lines. Looking forward, we are establishing a new production base for rubber additives in Thailand with a view to further enhancing our global supply capabilities and supporting the continued growth of our business. For details, please refer to the section headed "Business — Our strategies — Broaden our international presence and global supply capability through strategic expansion in overseas markets" in this document.

Our high-quality customers

We have established a high-quality customer base globally covering industry leading players in the automobile tyres, semiconductors and display panels industries. We maintain long-term and stable relationship with our major customers. Our products have passed the certification and/or gained recognition from our customers. For details of our customer certification process, please refer to the paragraph headed "Business operations — product certification by our customers" in this section. In respect of our rubber additives for tyres customers, we have established ongoing business relationships with numerous well-known domestic and overseas tyre manufacturers, covering the world's top 20 tyre manufacturers, which together account for over 70% of the market share of the global tyre industry. For our electronic materials segment, we have also established business relationships with semiconductors and display panel manufacturers with significant market positions in their respective sectors, covering various leading 8- and 12-inches wafer fabrication manufactures in the PRC.

During the Track Record Period, our revenue was primarily derived from the PRC. At the same time, we have been actively expanding our overseas markets, with revenue generated from overseas sales accounting for approximately 18.7%, 19.0% and 18.8% of our total revenue for FY2023, FY2024 and 9M2025, respectively. For details, please refer to the section headed "Business —Sales and marketing — Geographical distribution" in this document.

We mainly supply our products to downstream customers through direct sales. During FY2023, FY2024 and 9M2025, approximately 91.4%, 91.3% and 90.5% of our revenue were generated from direct sales. Under such a direct sales model, we are able to maintain close working relationships with our customers and develop an in-depth understanding of their operational requirements and preferences, which enables us to respond promptly to their needs and strengthen our customer relationships.

Our R&D achievements

We place strong emphasis on technological development and innovation. We believe that our R&D efforts are essential to the development of our business, both in resolving technical issues relating to our existing products and in supporting the development, optimisation and promotion of new products. For FY2023, FY2024, 9M2024 and 9M2025, we recorded R&D expenses of RMB179.8 million, RMB216.6 million, RMB147.9 million and RMB177.4 million, respectively. For details, please refer to the section headed "Business — Research and development" in this document.

Our sustainability

As a leading advanced chemical materials manufacturer, we place strong emphasis on sustainability and environmental protection. We actively support the Sustainable Development Goals of the United Nations. We have officially joined the United Nations Global Compact (UNGC) and are fully committed to implementing its ten core principles in

the four key areas of human rights, labor, environment, and anti-corruption. Notably, our Sino Legend factory achieved the EcoVadis Platinum Award in the latest assessment cycle, securing the highest score within the industry in the PRC and standing as the sole recipient of this honor in the sector in 2026 as at the Latest Practicable Date. For details, please refer to the paragraph headed "Environment, social and governance" in this section.

OUR COMPETITIVE STRENGTHS

We believe that the strengths set out below position us well to capture future opportunities and sustain our growth:

- We are a leading new chemical materials provider in the PRC with extensive production capabilities and high market share
- Our diversified product portfolio and capabilities in offering comprehensive and tailored solutions enable us to provide products and services that effectively address our customers' needs
- Strong R&D capabilities that enable us to continuously deliver high-quality products
- Our vertically integrated operations enhance our efficiency and market competitiveness
- We have established strong and long-standing relationships with domestic and overseas leading enterprises
- Experienced management team with in-depth industry and management experience and knowledge and a dedicated team of employees

For details, please refer to the section headed "Business — Our competitive strengths" in this document.

OUR STRATEGIES

We intend to pursue the following strategies to drive further growth including: (i) strengthen our R&D capabilities and efficiency to promote technological innovation and further enrich our product portfolio; (ii) broaden our international presence and global supply capabilities through strategic expansion in overseas markets; (iii) upgrade and maintain our production facilities to enhance our production capabilities and competitiveness of our products to meet market demand; (iv) facilitate growth through potential investments and strategic acquisitions. For details, please refer to the section headed "Business — Our strategies" in this document.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers mainly comprised tyre manufacturers, semiconductors and display panel manufacturers. In FY2023, FY2024 and 9M2025, revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB829.4 million, RMB926.6 million and RMB752.7 million, representing approximately 28.1%, 28.4% and 29.9% of our total revenue for the respective years/period, while the largest customer in each year/period during the Track Record Period contributed 11.3%, 11.7% and 10.7% of our total revenue, respectively, for the same years/period.

During the Track Record Period, we primarily purchase raw materials from suppliers engaging in the processing of fossil fuels and trading of electronic and/or chemical products. In FY2023, FY2024 and 9M2025, purchases from our five largest suppliers amounted to RMB486.6 million, RMB556.8 million and RMB459.4 million respectively, representing 25.1%, 25.4% and 28.2% of our total purchases for the respective years/period. Purchases attributable to our largest supplier in FY2023, FY2024 and 9M2025 amounted to RMB108.0 million, RMB170.0 million and RMB104.9 million respectively, accounting for 5.6%, 7.7% and 6.4% of our total purchases respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth our summary financial information covering the Track Record Period. Such financial information is extracted from, and should be read together with and is qualified in its entirety by reference to, our consolidated financial statements contained in the Accountants' Report presented in Appendix I to this document, including the related notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

Set forth below is a summary of our consolidated statements of profit or loss for each financial year/period during the Track Record Period. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000* (unaudited)	*% of revenue*	*RMB'000* (unaudited)	*% of revenue*
Revenue	2,937,334	100.0	3,263,380	100.0	2,419,641	100.0	2,517,471	100.0
Cost of sales	(2,252,274)	(76.7)	(2,467,523)	(75.6)	(1,804,545)	(74.6)	(1,883,148)	(74.8)
Gross profit	685,060	23.3	795,857	24.4	615,096	25.4	634,323	25.2
Other income and gains	62,504	2.1	168,053	5.1	135,950	5.6	79,691	3.2
Other expenses	(14,978)	(0.5)	(108,650)	(3.3)	(109,555)	(4.5)	(15,030)	(0.6)
Selling and marketing expenses	(92,430)	(3.1)	(112,039)	(3.4)	(81,083)	(3.4)	(84,777)	(3.4)
Administrative expenses	(183,670)	(6.3)	(194,582)	(6.0)	(142,886)	5.9	(149,384)	(5.9)
Research and development expenses	(179,780)	(6.1)	(216,572)	(6.6)	(147,938)	(6.1)	(177,392)	(7.0)
Fair value gains/(losses) on financial assets at fair value through profit or loss	12,058	0.4	1,836	0.1	(5,879)	(0.2)	—	—
(Reversal of impairment loss)/ Impairment losses on financial assets, net	(4,281)	(0.1)	(806)	(0.0)	(1,027)	(0.0)	447	0.0
Finance costs	(84,085)	(2.9)	(97,323)	(3.0)	(68,131)	(2.8)	(80,214)	(3.2)
Share of profits of associates	226,587	7.7	314,392	9.6	286,818	11.9	329,634	13.1
Profit before tax	426,985	14.5	550,166	16.9	481,365	19.9	537,298	21.3
Income tax	(22,867)	(0.8)	(15,981)	0.5	(14,038)	(0.6)	(15,694)	(0.6)
Profit for the year/period	**404,118**	**13.8**	**534,185**	**16.4**	**467,327**	**19.3**	**521,604**	**20.7**
Attributable to:								
Owners of the parent	406,598	13.8	516,772	15.8	453,320	18.7	511,257	20.3
Non-controlling interests	(2,480)	(0.1)	17,413	0.5	14,007	0.6	10,347	0.4
	404,118	13.8	534,185	16.4	467,327	19.3	521,604	20.7

Revenue

During the Track Record Period, we generated revenue from our sales of products including rubber additives for tyres and other chemical products, electronic materials and fully biodegradable materials.

Our revenue was on an upward trend throughout the Track Record Period: our revenue increased by approximately RMB326.0 million or 11.1% from RMB2,937.3 million for FY2023 to RMB3,263.4 million for FY2024, and increased by approximately RMB97.8 million or 4.0% from RMB2,419.6 million for 9M2024 to RMB2,517.5 million for 9M2025.

Revenue by Segment

The following table sets forth a breakdown of our revenue by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Electronic materials	561,490	19.1	744,853	22.8	540,915	22.4	700,396	27.8
Rubber additives for tyres and other chemical products	2,275,508	77.5	2,437,747	74.7	1,840,211	76.0	1,753,146	69.7
Fully biodegradable materials.	100,336	3.4	80,780	2.5	38,515	1.6	63,929	2.5
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Note: The revenue of each business segment and our Group presented in the table above is the revenue after elimination of all inter-segment sales and comprises sales to external customers only.

Our electronic materials segment had served as our core revenue growth driver, throughout the Track Record Period, capitalising on the growth in market demand for our semiconductor photoresists and display panel photoresists by virtue of positive developments in the downstream industries, and the expansion in actual production volume of our photoresist products.

The table below sets forth a breakdown of the sales volume and average selling price of our products by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	Sales volume	Average Selling price	Sales volume	Average Selling price	Sales volume	Average Selling price	Sales volume	Average Selling price
	tonnes'000	*RMB'000*	*tonnes'000*	*RMB'000*	*tonnes'000*	*RMB'000*	*tonnes'000*	*RMB'000*
Electronic materials	12.2	44.3	16.2	46.1	12.0	45.1	13.0	53.9
Rubber additives for tyres and other chemical products	138.9	16.2	154.7	15.8	117.2	15.7	118.3	14.8
Fully biodegradable materials.	9.7	10.7	8.4	9.6	3.7	10.4	7.3	8.8

Gross Profit and Gross Profit Margin

Our gross profit was approximately RMB685.1 million, RMB795.9 million, RMB615.1 million and RMB634.3 million for FY2023, FY2024, 9M2024 and 9M2025 respectively. Our overall gross profit margin remained relatively stable during the Track Record Period. For FY2023, FY2024, 9M2024 and 9M2025, we recorded a gross profit margin of approximately 23.3%, 24.4%, 25.4% and 25.2% respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Electronic materials	150,505	26.8	229,619	30.8	172,876	32.0	191,868	27.4
Rubber additives for tyres and other chemical products	567,451	24.9	622,629	25.5	490,517	26.7	462,118	26.4
Fully biodegradable materials.	(32,895)	(32.8)	(56,391)	(69.8)	(48,298)	(125.4)	(19,663)	(30.8)
Total	**685,060**	**23.3**	**795,857**	**24.4**	**615,096**	**25.4**	**634,323**	**25.2**

Profit for the Year/Period

Our profit increased by approximately RMB54.3 million or 11.6% from RMB467.3 million for 9M2024 to RMB521.6 million for 9M2025, which was primarily attributable to (i) the increase in gross profit; and (ii) the decrease in other expenses where one-off impairment losses on property, plant and equipment were recorded in connection with our fully biodegradable materials segment during 9M2024.

Our profit increased by approximately RMB130.1 million or 32.2% from RMB404.1 million for FY2023 to RMB534.2 million for FY2024, which was primarily attributable to (i) the increase in gross profit; (ii) the increase in other income and gains, mainly due to the bargain purchase gain arising from investment in an associate recorded during FY2024 as Prinx Chengshan became classified as an associate of us; and (iii) the increase in share of profits of associates, mainly due to the inclusion of share of profits of Prinx Chengshan as it became our associate and the improvements in results of operations of Zhongce Rubber.

Please refer to the section headed "Financial Information — Period to Period Comparison of Results of Operations" in this document for further details of the changes in our profit for each financial year/period during the Track Record Period.

Summary of Consolidated Statements of Financial Position

Set forth below is a summary of our consolidated statements of financial position as at the end of each financial year/period during the Track Record Period.

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current assets	2,544,376	2,953,752	3,320,221
Non-current assets	4,789,529	5,455,375	5,876,160
Total assets	7,333,905	8,409,127	9,196,381
Current liabilities	1,808,247	2,784,536	2,521,302
Non-current liabilities	2,020,762	2,165,261	2,906,161
Total liabilities	3,829,009	4,949,797	5,427,463
Net current assets	736,129	169,216	798,919
Net assets	3,504,896	3,459,330	3,768,918

Our net assets increased by approximately RMB309.6 million from RMB3,459.3 million as at 31 December 2024 to RMB3,768.9 million as at 30 September 2025, which was primarily attributable to the total comprehensive income for 9M2025 of RMB543.8 million, as partially offset by the dividend declared of RMB298.0 million and the acquisition of non-controlling interests for RMB167.8 million. Our net assets remained relatively stable at approximately RMB3,504.9 million as at 31 December 2023 and RMB3,459.3 million as at 31 December 2024.

Please refer to the section headed "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position" in this document for further details of the changes in our current and non-current assets and liabilities as at the end of each financial year/period during the Track Record Period.

Summary of Consolidated Statements of Cash Flows

Set forth below is a summary of our consolidated statements of cash flows for each financial year/period during the Track Record Period:

	FY2023	FY2024	9M2024	9M2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Operating cash flows before movements in working capital	414,315	496,052	389,705	382,002
Changes in working capital	(172,338)	(354,199)	(172,240)	(165,373)
Cash generated from operations	241,977	141,853	217,465	216,629
Interest received	10,052	6,107	4,580	16,389
Income tax paid	(73,205)	(2,701)	(9,986)	(29,204)
Net cash flows from operating activities	178,824	145,259	212,059	203,814
Net cash flows from/(used in) investing activities	119,123	(679,894)	(407,631)	130,120
Net cash flows (used in)/ from financing activities	(14,072)	370,720	155,767	(28,107)
Net increase/(decrease) in cash and cash equivalents	283,875	(163,915)	(39,805)	305,827
Cash and cash equivalents at beginning of year/period	370,628	661,436	661,436	503,209
Effect of foreign exchange rate changes, net	6,933	5,688	(3,029)	(2,829)
Cash and cash equivalents at end of year/period	661,436	503,209	618,602	806,207

Please refer to the section headed "Financial Information — Liquidity and Capital Resources — Cash Flows" in this document for further details of the changes in our cash flows for each financial year/period during the Track Record Period.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for each financial year/period during the Track Record Period and should be read in conjunction with the Accountants' Report presented in Appendix I to this document.

	FY2023	FY2024	9M2025 (unaudited)
Profitability ratios			
Return on equity *(Note 1)*	12.2%	15.3%	N/A
Return on total assets *(Note 2)*	5.7%	6.8%	N/A
Gross Profit Margin *(Note 3)*	23.3%	24.4%	25.2%
Net profit margin *(Note 4)*	13.8%	16.4%	20.7%

	As at		
	31 December 2023	31 December 2024	30 September 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Liquidity ratios			
Current ratio (*times*) *(Note 5)*	1.4	1.1	1.3
Quick ratio (*times*) *(Note 6)*	1.2	0.9	1.1
Capital adequacy ratio			
Gearing ratio *(Note 7)*	60.2%	100.9%	97.3%

Please refer to the section headed "Financial Information — Key Financial Ratios" in this document for the calculation basis of the above financial ratios.

COMPETITION

We primarily operate our business in semiconductor materials, display panel materials and rubber chemicals for automobile tyres industries. These industries are characterised by high technical barriers, substantial R&D investment, and a strong emphasis on product innovation and quality. For details, please refer to the section headed "Business — Competition" in this document.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to conducting business in China and other jurisdictions and (iii) risks relating to the **[REDACTED]**. These risks include, among others, the following:

- Our business is subject to demands from our downstream industries that adopt our products. Any changes in the growth of these downstream industries could adversely affect our business, financial condition and results of operations.
- Our business and financial performance could be materially affected by fluctuations in the price and supply of raw materials.
- We may be subject to liability in connection with production safety and the use of hazardous materials.
- Production process of our products involves discharge of pollutants which are subject to PRC laws and regulations, any non-compliance of which may subject us to fines or other liabilities.
- Our business growth and prospects are affected by our ability to continuously innovate and upgrade our technologies and production processes and to penetrate new markets.

As different **[REDACTED]** may have different interpretations and criteria when determining the significance of a risk, you should read the section headed "Risk Factors" in this document in its entirety before you decide to **[REDACTED]** in our **[REDACTED]**.

LEGAL PROCEEDINGS AND COMPLIANCES

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all material licenses, approvals and permits from relevant regulatory authorities for our operations.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, we will be owned as to approximately **[REDACTED]**% by Ms. Zhang, **[REDACTED]**% by Red Avenue Investment and **[REDACTED]**% by Virgin Holdings. Red Avenue Investment is wholly owned by Ms. Zhang, and Virgin Holdings is owned as to 99.9% by Ms. Zhang and 0.1% by Red Avenue Investment. Accordingly, Ms. Zhang and the entities controlled by her, namely Red Avenue Investment and Virgin Holdings, will hold in aggregate approximately **[REDACTED]** of the issued share capital of our Company and will be our Controlling Shareholders upon the **[REDACTED]**. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

[REDACTED]

The **[REDACTED]** to be borne by us are estimated to be approximately RMB**[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per H Share, being the **[REDACTED] [REDACTED]** stated in this document), representing

SUMMARY

[REDACTED]% of the estimated **[REDACTED]** from the **[REDACTED]**, assuming the **[REDACTED]** is not exercised at all. Our **[REDACTED]** consist of (i) **[REDACTED]**-related expenses, including **[REDACTED]** commission, of approximately RMB**[REDACTED]**; and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]**, comprising (a) fees and expenses of our legal advisors and reporting accountants of RMB**[REDACTED]**; and (b) other fees and expenses of RMB**[REDACTED]**.

During the Track Record Period, we did not incur any **[REDACTED]**. Subsequent to the Track Record Period, approximately RMB**[REDACTED]** of our **[REDACTED]** are expected to be charged to our consolidated statements of profit or loss, and the remaining RMB**[REDACTED]** of our **[REDACTED]** are expected to be accounted for as a deduction from equity upon **[REDACTED]**.

We do not consider any of the above components of our **[REDACTED]** to be unusually high for our Group. The **[REDACTED]** stated above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per Share
[REDACTED] of the H Shares following the completion of the **[REDACTED]**[(1)]	HK$**[REDACTED]**
Total **[REDACTED]** of our A Shares and H Shares[(2)]	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share[(3)]	HK$**[REDACTED]**

Notes:

(1) The calculation of the **[REDACTED]** is based on the assumption that **[REDACTED]** H Shares will be in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised at all).

(2) The calculation of the **[REDACTED]** is based on the assumption that **[REDACTED]** H Shares will be in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised at all), and **[REDACTED]** A Shares will be in issue immediately after completion of the **[REDACTED]** (assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**) with the closing price of RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) on the Latest Practicable Date.

(3) Please refer to the section headed "Appendix II — Unaudited **[REDACTED]** Financial Information" in this document for details regarding the assumptions used and the calculation method.

DIVIDEND POLICY

Our declaration and payment of dividends are subject to the PRC laws and regulations, including, among other things, the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》), and our Articles of Association.

Our dividend policy is set forth in our Articles of Association. As the overarching principle, our profit distribution plan should emphasise providing **[REDACTED]** with reasonable returns, where account should also be taken of our actual operating condition in the relevant financial year and the sustainable development of our business, and we should seek to maintain consistency, reasonableness and stability of our profit distribution policy, especially in relation to payment of cash dividends. We set it as our goal that over any consecutive three-year period, the total cash dividends distributed shall be no less than 30% of the average annual distributable profits realised during that three-year period. We may opt not to make profit distribution if a non-unqualified opinion is given or material uncertainty related to going concern is expressed in the auditors' report for the latest financial year, if our debt to asset ratio exceeds 70%, or if we record a net cash outflow for the relevant financial year.

Please refer to the section headed "Financial Information — Dividend Policy" in this document for further details of our dividend policy.

During the Track Record Period, we had declared final dividend and interim dividend in the form of cash dividend. For FY2023, FY2024 and 9M2025, our final dividend declared amounted to approximately RMB47.5 million, RMB352.4 million and RMB298.0 million respectively. In addition, during FY2024, we declared interim dividend for the first half of the financial year in the amount of approximately RMB149.0 million.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the **[REDACTED]** **[REDACTED]** stated in this document), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses in connection with the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised). In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for enhancing our R&D efficiency and capabilities
- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for expanding our overseas market presence and supply capabilities
- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for the upgrade and maintenance of our production facilities
- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for strategic investments and/or acquisition
- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for repaying bank borrowings
- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for working capital and general corporate uses

For further details, please refer to the section headed "Future plans and **[REDACTED]**" in this document.

LISTING ON THE SHANGHAI STOCK EXCHANGE

To improve the brand awareness of our Company and expand our financial resources for the Group's development, our then Shareholders resolved to apply for the listing of our Shares on the Shanghai Stock Exchange in 2018. On 27 June 2018, all issued Shares of our Company were listed on the Shanghai Stock Exchange under the stock code of 603650.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that since 30 September 2025, being the end of the Track Record Period, and up to the date of this document, there has been no material adverse change in the financial or trading position of our Group, and that there has been no event since 30 September 2025 that would materially affect the information in the Accountants' Report presented in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set forth below. Certain other terms are explained in the section headed "Glossary of technical terms" in this document.

"2021 RSA Scheme"	please refer to the definition of "2021 RSA Scheme" as set out the section headed "History, Development and Corporate Structure" in this document
"2023 RSA Scheme"	the restricted share award scheme adopted by our Company in September 2023, the principal terms of which are set out in "Appendix VI — Statutory and General Information — 5. Our 2023 RSA Scheme" in this document
"9M2024"	the nine months ended 30 September 2024
"9M2025"	the nine months ended 30 September 2025
"A Share(s)"	the domestic share(s) of our Company, with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange and traded in Renminbi
"Accountants' Report"	The accountants' report of our Company for the Track Record Period as included in Appendix I to this document
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the **[REDACTED]**, a summary of which is set out in "Appendix V — Summary of the Articles of Association" in this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BAE"	Beijing Asahi Electronic Materials Co., Ltd (北京北旭電子材料有限公司) (formerly known as Beijing Beixu Electronic Glass Co., Ltd. (北京北旭電子玻璃有限公司)), a limited liability company established under the laws of the PRC on 16 November 1993 and an indirect wholly owned subsidiary of our Company
"BAE (Hubei)"	Beijing Asahi (Hubei) Electronic Materials Co., Ltd. (北旭(湖北)電子材料有限公司), a limited liability company established under the laws of the PRC on 21 May 2020 and an indirect wholly owned subsidiary of our Company
"Board"	the board of Directors of our Company
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

DEFINITIONS

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Changjing Chemical"	Changzhou Changjing Chemistry Co., Ltd. (常州常京化學有限公司), a limited liability company established under the laws of the PRC on 19 August 1999 and a direct wholly owned subsidiary of our Company. It is in the process of deregistration as at the Latest Practicable Date
"Chinese Mainland" or "PRC"	the People's Republic of China which, for the purpose of this document and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Red Avenue New Materials Group Co., Ltd. (彤程新材料集團股份有限公司), a company established under the laws of the PRC on 4 June 2008, and converted into a joint stock company with limited liability on 18 September 2016, whose A Shares are listed on the Shanghai Stock Exchange (stock code: 603650)
"Compliance Adviser"	Lego Corporate Finance Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and, in the case of our Company, means Ms. Zhang, Red Avenue Investment and Virgin Holdings individually and as a group of persons. Please refer to the section headed "Relationship with our Controlling Shareholders" in this document for further details
"CSRC"	the China Securities Regulatory Commission (中國證券監管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities
[REDACTED]	**[REDACTED]**

"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"EUR"	Euro, the lawful currency of the member states of the European Union
[REDACTED]	**[REDACTED]**
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
[REDACTED]	**[REDACTED]**
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company
"FY2023"	the financial year ended 31 December 2023
"FY2024"	the financial year ended 31 December 2024
[REDACTED]	**[REDACTED]**
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"Group", "our Group", "we" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"Guide for New **[REDACTED]**"	the Guide for New **[REDACTED]** issued by the Hong Kong Stock Exchange (as amended, supplemented or otherwise modified from time to time)

"H Share(s)"	the ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are to be **[REDACTED]** for and **[REDACTED]** in HK dollars and to be **[REDACTED]** on the Stock Exchange
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"**[REDACTED]**"	the **[REDACTED]** H Shares (subject to **[REDACTED]** as described in "Structure of the **[REDACTED]**") initially **[REDACTED]** by our Company for **[REDACTED]** at the **[REDACTED]** pursuant to the **[REDACTED]**

DEFINITIONS

"**[REDACTED]**"	the **[REDACTED]** of the **[REDACTED]** for **[REDACTED]** by the **[REDACTED]** in Hong Kong at the **[REDACTED]** (plus brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee), on and subject to the terms and conditions described in the paragraph headed "Structure of the **[REDACTED]** — The **[REDACTED]**" in this document
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"**[REDACTED]**"	the **[REDACTED]** of the **[REDACTED]** listed in the paragraph headed "**[REDACTED]** — **[REDACTED]**" in this document
"**[REDACTED]**"	the **[REDACTED]** dated [•] relating to the **[REDACTED]** entered into by, among others, our Company, the Controlling Shareholders, the Sole Sponsor, the **[REDACTED]**, and the **[REDACTED]**, as further described in the paragraph headed "**[REDACTED]** — **[REDACTED]** Arrangements and Expenses — **[REDACTED]** — **[REDACTED]**" in this document
"HKRAG"	Red Avenue Group Limited (彤程集團有限公司) (formerly known as Hong Kong Red Avenue Chemical Company Limited (香港彤程化工有限公司)), a limited liability company incorporated in Hong Kong on 9 August 1999 and a direct wholly owned subsidiary of our Company
"HKRAR"	Red Avenue Resins Limited (彤程樹脂有限公司) (formerly known as Hexion Resins Limited (瀚森樹脂有限公司) and Momentive Union Specialty Chemicals Limited (聯成邁圖精細化工有限公司)), a limited liability company incorporated in Hong Kong on 16 March 2012 and an indirect wholly owned subsidiary of our Company
"HKSLH"	Sino Legend Holding Group Limited (華奇控股集團有限公司), a limited liability company incorporated in Hong Kong on 22 May 2009 and an indirect wholly owned subsidiary of our Company
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)" or "independent third party(ies)"	entity(ies) or person(s) which, to the best of our Directors' knowledge, information, and belief having made all reasonable enquiries, is/are not a connected person(s) of our Company within the meaning of the Listing Rules

"**[REDACTED]**"	the **[REDACTED]** H Shares (subject to **[REDACTED]** and the **[REDACTED]**) initially **[REDACTED]** by our Company pursuant to the **[REDACTED]**
[REDACTED]	**[REDACTED]**
"**[REDACTED]**"	the **[REDACTED]** of the **[REDACTED]** listed in the **[REDACTED]**
"**[REDACTED]**"	the **[REDACTED]** relating to the **[REDACTED]** and expected to be entered into by, among others, our Company, the Controlling Shareholders, the Sole Sponsor, the **[REDACTED]** and the **[REDACTED]** on or about [•], as further described in the paragraph headed "**[REDACTED]** — The **[REDACTED]**" in this document
"Kempur"	Kempur Microelectronics, Inc. (北京科華微電子材料有限公司), a limited liability company established under the laws of the PRC on 13 August 2004 and an indirect non-wholly owned subsidiary of our Company
"Latest Practicable Date"	2 February 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication
[REDACTED]	**[REDACTED]**
"**[REDACTED]** Committee"	the **[REDACTED]** Committee of the Stock Exchange
[REDACTED]	**[REDACTED]**
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented or otherwise modified from time to time
"Macau"	the Macao Special Administrative Region of the PRC
"Main Board"	Main board of the Stock Exchange

"MRAG"	Red Avenue Group (Macao Commercial Offshore) Limited, a limited liability company incorporated in Macau on 28 July 2005 and an indirect wholly owned subsidiary of our Company
"Ms. Zhang"	Ms. Zhang Ning (張宁), our founder, chairperson of our Board, an executive Director and a Controlling Shareholder
"**[REDACTED]**"	the final **[REDACTED]** per **[REDACTED]** (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) expressed in Hong Kong dollars, at which the **[REDACTED]** are to be **[REDACTED]** for and **[REDACTED]** pursuant to the **[REDACTED]**, to be determined as described in section headed "Structure of the **[REDACTED]**" in this document
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on 17 February 17 2023, as amended, supplemented or otherwise modified from time to time
[REDACTED]	**[REDACTED]**
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Adviser"	Allbright Law Offices, our legal adviser as to PRC laws
"**[REDACTED]**"	the date on which the **[REDACTED]** is to be determined
"Prinx Chengshan"	Prinx Chengshan Holdings Limited (浦林成山控股有限公司), an exempted company incorporated in the Cayman Islands on 22 May 2015 with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1809), and an invested entity held as to approximately 5.12% by our Group as at 30 September 2025

[REDACTED]	**[REDACTED]**
"RA Changzhou"	Red Avenue Electronic Materials (Changzhou) Co., Ltd. (彤程電子材料(常州)有限公司), a limited liability company established under the laws of the PRC on 30 April 2024 and an indirect wholly owned subsidiary of our Company
"RA Chemical"	Rachem (China) Co., Ltd. (彤程化學(中國)有限公司) (formerly known as Rachem (Shanghai) Co., Ltd. (彤程化學(上海)有限公司)), a limited liability company established under the laws of the PRC on 1 June 2011 and a direct wholly owned subsidiary of our Company
"RA Electronic"	Shanghai Red Avenue Electronic Materials Co., Ltd. (上海彤程電子材料有限公司), a limited liability company established under the laws of the PRC on 11 June 2020 and a direct wholly owned subsidiary of our Company
"RA Germany"	Red Avenue Europe GmbH, a limited liability company incorporated under the laws of Germany on 5 June 2025 and an indirect wholly owned subsidiary of our Company
"RA Innova"	Beijing Red Avenue Innova Co., Ltd. (北京彤程創展科技有限公司), a limited liability company established under the laws of the PRC on 26 October 2006 and a direct wholly owned subsidiary of our Company
"RA Shanghai Chemical"	Shanghai Red Avenue Chemical Co., Ltd. (上海彤程化工有限公司), a limited liability company established under the laws of the PRC on 17 August 1999 and a direct wholly owned subsidiary of our Company
"RA Thailand"	Red Avenue (Thailand) Co., Ltd., a limited liability company incorporated under the laws of Thailand on 16 May 2025 and an indirect non-wholly owned subsidiary of our Company
"RA Zhenjiang"	Red Avenue Electronic Materials (Zhenjiang) Co., Ltd. (彤程電子材料(鎮江)有限公司) (formerly known as Hansen Resin (Zhenjiang) Co., Ltd. (瀚森樹脂(鎮江)有限公司) and Zhenjiang Liancheng Maitu Fine Chemical Co., Ltd. (鎮江聯成邁圖精細化工有限公司)), a wholly foreign owned enterprise established under the laws of the PRC on 24 August 2012 and an indirect wholly owned subsidiary of our Company
"Red Avenue Group"	Red Avenue Group Co., Ltd. (彤程集團有限公司) (formerly known as Shanghai Red Avenue Investment Group Co., Ltd. (上海彤程投資集團有限公司)), the predecessor of our Company, a limited liability company established under the laws of the PRC on 4 June 2008

"Red Avenue Investment"	Red Avenue Investment Group Limited (彤程投資集團有限公司), a company incorporated in Hong Kong with limited liability on 22 July 2015, and wholly owned by Ms. Zhang, being one of our Controlling Shareholders
[REDACTED]	**[REDACTED]**
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Accountants"	Ernst & Young, the reporting accountants of our Company
[REDACTED]	**[REDACTED]**
"R&D"	research and development
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAP"	System Applications and Products in Data Processing
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	Ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Share(s) and H Share(s)
"Shareholder(s)"	holder of the Share(s)
"Sino Legend"	Sino Legend (China) Chemical Company Ltd. (華奇(中國)化工有限公司) (formerly known as Sino Legend (Zhangjiagang) Chemical Company Ltd. (華奇(張家港)化工有限公司), a limited liability company established under the laws of the PRC on 11 August 2006 and a direct wholly owned subsidiary of our Company
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

"Sole Sponsor"	Haitong International Capital Limited
[REDACTED]	**[REDACTED]**
"STA"	State Taxation Administration of the PRC (中華人民共和國國家税務總局)
[REDACTED]	**[REDACTED]**
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"THB"	Thai baht, the lawful currency of Thailand
"Track Record Period"	FY2023, FY2024 and 9M2025
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "US dollars" and "US cents"	United States dollars and cents, respectively, the lawful currency of U.S.
"U.S. persons"	U.S. persons as defined in **[REDACTED]**
[REDACTED]	**[REDACTED]**
"Virgin Holdings"	Virgin Holdings Limited (維珍控股有限公司), a company incorporated in Hong Kong with limited liability on 19 August 2015, and being owned as to 99.9% by Ms. Zhang and 0.1% by Red Avenue Investment, being one of our Controlling Shareholders

DEFINITIONS

"Zhongce Rubber"	Zhongce Rubber Group Co., Ltd (中策橡膠集團股份有限公司) (formerly known as Zhongce Rubber Group Co., Ltd (中策橡膠集團有限公司), Hangzhou Zhongce Rubber Co., Ltd (杭州中策橡膠有限公司) and Hangzhou Zhongce Rubber (Holdings) Co., Ltd (杭州中策橡膠(股份)有限公司)) a company established under the laws of the PRC on 12 June 1992, and converted into a joint stock company with limited liability on 15 October 2021, whose A shares are listed on the Shanghai Stock Exchange (stock code: 603049), and an invested entity held as to approximately 8.03% by our Group as at 30 September 2025
"Zhoushan Yutong"	Zhoushan Yutong Venture Capital Partnership Enterprise (Limited Partnership) (舟山市宇彤創業投資合夥企業(有限合夥) (formerly known as 舟山市宇通投資合夥企業(有限合夥) Zhoushan Yutong Investment Partnership (Limited Partnership)), a limited partnership established in the PRC on 27 November 2015. The general partner is Mr. Ding Yongtao (丁永濤) (a former employee of our Group). It is an employee shareholding platform held by limited partners who are former or existing employees of our Group.
"%"	percent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document in connection with our Company and business. Such terminology and meanings may not correspond to standard industry meanings or usage of those terms.

"AMOLED"	a display technology in which the pixels are composed of Organic Light-Emitting Diodes (OLEDs), and the light emission of the pixels is controlled by applying electric current through active switches
"ArF photoresists"	the exposure wavelength of ArF photoresist is around 193nm, which can be further divided into ArF dry and ArF immersion photoresists. ArF dry photoresist is applied in the technology nodes from 110nm to 55nm. ArFi immersion lithography technology fills the space between the lens and the photoresist with immersion liquid. It improves the resolution of the lithography process by using the liquid to increase the refractive index. Assisted by resolution enhancement technologies and combined with multi-exposure technology, the immersion lithography process can be applied in the process nodes from 45nm down to 7nm
"ArFi photoresist"	ArF immersion photoresist specifically formulated for immersion lithography
"CMP polishing pads"	an essential consumable in the chemical mechanical polishing (CMP) process. It collaborates with the polishing slurry to polish the surface of semiconductor wafers through physical and chemical reactions, achieving an ultra-precision planarization effect. CMP polishing pads are typically made of rigid porous polyurethane materials and exert a crucial impact on the wafer polishing performance
"COD"	Chemical Oxygen Demand, a measure of organic compounds present in a water sample and the amount of oxygen required to breakdown such organic compounds
"DIB (二異丁烯)"	Diisobutylene, a colorless liquid, is soluble in ether, benzene and chloroform but insoluble in water. It serves as a key raw material for producing p-octylphenol (a tackifier for synthetic rubber), and is also used in manufacturing various surfactants, modifiers for phenolic and epoxy resins, ultraviolet absorbers, polymerization inhibitors, PVC stabilizers, plasticizers, as well as organic synthesis intermediates including isononyl alcohol
"EBR"	edge bead remover, a high-purity solvent used in the coating process of wafers or glass panels, is designed to dissolve and remove the photoresist residues remaining on the edges and back surfaces of substrates after spin coating

GLOSSARY OF TECHNICAL TERMS

"G-/I- line photoresists"	photoresists exposed using high-pressure mercury lamps, with G-line exposure at a wavelength of 436nm and I-line exposure at 365nm, widely applicable in fields such as discrete devices, LEDs, integrated circuits, and advanced packaging
"KrF photoresists"	a type of photoresist exposed by krypton fluoride (KrF) excimer laser (with an exposure wavelength of around 248nm). KrF photoresist is the first photoresist adopting chemically amplified technology, which is widely used in technology nodes at 250nm and below to achieve process linewidths ranging from 250nm to 130nm. Combined with resolution enhancement technologies, it can further achieve process linewidths ranging from 110nm to 90nm
"MUB"	Membrane Ultra-Bacteria VOCs Degradation, method of wastewater treatment Volatile Organic Compounds that employs high efficiency microorganisms to decompose various pollutant types within wastewater
"PBAT"	a biodegradable plastic, which is a copolymer of polybutylene adipate and polybutylene terephthalate. It not only has good ductility and elongation at break, but also exhibits excellent heat resistance and impact resistance; in addition, it features outstanding biodegradability
"phenolic resin (酚醛樹脂)"	phenolic resin, a large category of synthetic resins prepared by the polycondensation of phenolic compounds and aldehyde compounds, exhibits excellent acid resistance, mechanical properties and heat resistance, and is widely used in industries including rubber products, anti-corrosion engineering, adhesives, flame-retardant materials, and grinding wheel manufacturing
"PHS resins"	an electronic-grade high-purity resin, which is widely applied in KrF deep ultraviolet photoresists, serves as a key component of photoresists and features excellent film-forming ability, developability and etch resistance
"Photolithography"	the process of transferring circuit patterns from a photomask onto a surface (such as a wafer)
"photoresist (光刻膠)"	also known as a photosensitive resist, is a light-sensitive liquid mixture composed of three main components: photosensitive resin, sensitizer and solvent. Upon exposure to light, the photosensitive resin rapidly undergoes photocuring reaction in the exposed areas, resulting in significant changes in the material's physical properties, especially solubility and adhesion. The desired pattern can be obtained by dissolving the soluble parts with a suitable solvent treatment

GLOSSARY OF TECHNICAL TERMS

"PTBP (對叔丁基苯酚)"	p-tert-Butylphenol, also known as 4-tert-butylphenol, is a white flaky solid at room temperature with a characteristic alkylphenol odor. It is combustible but not highly flammable and can catch fire when exposed to open flames; upon heating, it decomposes to release toxic gases. It is readily soluble in organic solvents such as alcohols, esters, alkanes and aromatic hydrocarbons. Its primary applications include the synthesis of p-tert-butylphenolic resins, as well as serving as a polymerization inhibitor and stabilizer
"PTOP"	p-tert-Octylphenol, also known as 4-tert-octylphenol and 4-(1,1,3,3-tetramethylbutyl) phenol, is a white flaky crystal at room temperature. It is insoluble in water but soluble in most organic solvents, and is combustible when exposed to open flames or high temperatures. As a fine chemical raw material, it is widely used in the production of oil-soluble phenolic resins, surfactants, adhesives, pharmaceuticals, pesticides, additives and ink fixing agents
"RTO"	Regenerative Thermal Oxidizer, an industrial air pollution control device that destroys harmful Volatile Organic Compounds and Hazardous Air Pollutants by oxidizing such pollutants into Carbon Dioxide and water vapor by utilising high temperatures
"SAP system"	software used by organisations to manage business operations and customer relations via a centralised data management platform
"SKU(s)"	stock keeping units, a unique identifier of each distinct product
"TFT array photoresist"	photoresist used in the photolithography process to pattern the thin-film transistor (TFT) array on a display substrate

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitations, those regarding our future financial position, our strategies, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "aim", "anticipate", "believe", "consider", "could", "estimate", "expect", "going forward", "intend", "may", "might", "plan", "project", "propose", "predict", "seek", "should", "target", "will", "would" and the negative of these words and other similar expressions, are forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and our operating and expansion plans;
- our objectives and expectations regarding our future operations, profitability, liquidity and capital resources;
- future events and developments, trends and conditions in the industry and markets in which we operate or plan to operate;
- our ability to control costs; and
- our ability to identify and successfully take advantage of new business development opportunities.

Such statements reflect the current views of our management with respect to, including, without limitation, future events, operations, profitability, liquidity and capital resources, some of which may not materialise or may change. Actual results may differ materially from information, implied or expressed, in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in "Risk Factors" in this document and the following:

- changes in the laws, rules, policies and regulations applicable to us;
- general economic, market and business conditions in the PRC and other jurisdictions we operate in or intending to operate in, including the sustainability of the economic growth in the PRC and any such other jurisdictions;
- changes or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, or other rates or prices; including those pertaining to the PRC and the industry and markets in which we operate;
- business opportunities and expansion that we may pursue;
- our business strategies and plans to achieve these strategies, including our products and geographic expansion plans;
- our ability to maintain the market positions;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- our ability to retain senior management and key personnel and recruit qualified staff;

- our ability to identify, measure, monitor and control risks in our business, including our ability to improve our overall risk profile and risk management practices;
- capital market developments; and
- other factors beyond our control.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set forth in this section as well as the risk factors set out in "Risk Factors" in this document.

In this document, statements of or references to our intentions or those of any of our Directors are made as at the date of this document. Any such intentions may change in light of future developments.

RISK FACTORS

*An **[REDACTED]** in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an **[REDACTED]** in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the **[REDACTED]** of our H Shares could decline, and you may lose all or part of your **[REDACTED]**.*

These factors are contingencies that may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is subject to demands from our downstream industries that adopt our products. Any changes in the growth of these downstream industries could adversely affect our business, financial condition and results of operations.

Our performance is subject to fluctuations in demand from our downstream industries. Our products are primarily supplied to downstream customers operating in the semiconductor, display panel, tyre and automobile industries. Demand for our products largely depends on the growth within these industries and sectors, which may be impacted by factors beyond our control. These factors include, among others:

- a decline in demand for, or negative perception of, or publicity about, products of downstream industries;
- a downturn in general economic conditions;
- disruptions to logistics and transportation arising from geopolitical tensions or conflicts, regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes;
- the failure of our customers' end products in which our products are used to meet evolving industry requirements or achieve market acceptance;
- the inability of our customers to dedicate necessary resources to promote and commercialise their products;
- any financial difficulties and market share loss of our customers;
- the deterioration of our customers' financial condition; and
- the effects of catastrophic and other disruptive events at our customers' production facilities including natural disasters, telecommunications failures, cyber-attacks, terrorist attacks, pandemics, epidemics or other outbreaks of infectious disease, breaches of security or loss of critical data.

In the event that any of the above events occur or demand in the downstream industries weakens, our sales to customers in such industries may decrease or fail to grow as expected, which could in turn materially and adversely affect our business, financial condition and results of operations.

Our business and financial performance could be materially affected by fluctuations in the price and supply of raw materials.

Our performance is subject to fluctuations in the prices of our major raw materials. The principal raw materials used in our production include phenol (苯酚), alkylphenol (烷基酚), isobutene (異丁烯), diisobutylene (二異丁烯), resorcinol (間苯二酚) and formaldehyde (甲醛), most of which are derived from the petrochemical and other basic chemical industries. Our raw material costs amounted to RMB1,813.2 million, RMB1,999.1 million and RMB1,557.1 million for FY2023, FY2024 and 9M2025, respectively. The prices of these materials are significantly influenced by factors beyond our control, including supply-side reforms, economic cycles, international market conditions, fluctuations in crude oil prices, volatility in prices of basic chemical materials and instability in the supply chain. A fluctuation in raw material prices may disrupt our supply chain and increase our production costs. We cannot guarantee we will not in the future experience price fluctuations of raw materials. If the prices of our major raw materials increase significantly or fluctuate frequently in the future and we are unable to implement timely and effective measures such as passing on cost increases to our customers, improving our procurement arrangements or enhancing our production efficiency, we may experience substantial pressure from rising production costs, and our profit margins, business, financial condition and results of operations could be materially and adversely affected.

Moreover, we cannot guarantee we will not in the future experience supply shortages of raw materials. In such event, we may be required to seek alternative sources of supply and there is no guarantee that we will be able to obtain such supplies in a timely manner and at reasonable prices and on commercially reasonable terms, or at all. In addition, we generally do not enter into long-term supply agreements with our suppliers. There is no assurance that our suppliers will be able to supply the required raw materials to us in a timely manner or that they will not significantly increase the prices at the time of our purchase. If we are unable to keep up with demand for our products due to the failure to procure the raw materials we need, our customers may reduce, delay or cancel their orders and our business could be adversely affected.

We may be subject to liability in connection with production safety and the use of hazardous materials.

Our business operation involves the use and storage of certain hazardous chemicals, precursor chemicals or explosive chemicals which are flammable, explosive or corrosive in nature. As such, there are inherent safety risks in the research and development, production, storage and transportation of such materials, and we cannot assure you that our safety management system and measures will always be effective in preventing work safety incidents. Any material work safety accident could result in damage to our assets and harm to the personal safety of our employees. In such event, we may be liable for the loss of life and property, personal injuries, medical expenses suffered by the victims in the accident. In addition, we are required to comply with the applicable PRC laws and regulations relating to production safety. For details, please refer to the section headed "Regulatory overview — Overview of Chinese laws and regulations — Laws and regulations on work safety, environmental protection, and energy conservation review" in this document. In the event of any material work safety accident, we may be subject to applicable fines and penalties for violation of applicable PRC laws and regulations. Furthermore, our manufacturing facilities may be required to suspend operations while the relevant authorities conduct their investigations, and we may not be permitted to resume production until we have implemented sufficient remedial measures to their satisfaction.

Any of these consequences could disrupt the operation of our production bases and result in legal liability, and thus materially and adversely affect our financial condition and results of operations.

Production process of our products involves discharge of pollutants which are subject to PRC laws and regulations, any non-compliance of which may subject us to fines or other liabilities.

We are mainly engaged in the production of chemical materials including rubber additives and electronic chemicals. The production process involves the discharge of pollutants, including wastewater, exhaust gases and solid waste. We are subject to PRC environmental protection laws and regulations which govern the emission, discharge, release and disposal of environmental wastes and other pollutants. Under the applicable laws and regulations, entities that discharge or will discharge pollutants in the course of production or other activities shall take effective environmental protection measures to control and properly handle harmful substances. Failure to comply with the applicable PRC environmental laws or regulations may result in local environmental protection authorities imposing fines or suspending operations. PRC regulatory authorities may also order to suspend or close any facility failing to comply with such environmental protection laws and regulations.

During the Track Record Period, we were subject to administrative penalties in respect of two incidents of non-compliance relating to a factory. For details, please refer to the section headed "Business — Environment, social and governance — Environmental protection" in this document. We cannot assure you that we will at all times be in full compliance with all applicable environmental laws and regulations. Any failure to comply with such requirements, including exceeding prescribed discharge limits, may result in fines, compulsory rectification, suspension of production or other penalties. In addition, if more stringent environmental protection laws or regulations are introduced or existing standards are raised, our production costs could increase substantially, and we may be required to incur significant capital expenditures or suspend certain operations to achieve compliance.

Our business growth and prospects are affected by our ability to continuously innovate and upgrade our technologies and production processes and to penetrate new markets.

Our future success significantly depends on our ability to continue to innovate and upgrade our technologies, products and production processes in the high-end chemical materials sector. Product design, development and industrialisation in the high-end chemical materials sector is often a complex, time-consuming and costly process involving long development cycles, high technical intensity, uncertain timelines for customer qualification and certification and lengthy periods required for the training and retention of specialised technical personnel. There can be no assurance that we will be able to continually develop new products that meet the evolving market and customer requirements, complete the relevant certification processes in a timely and effective manner or successfully convert our R&D results into commercially viable products. If we fail to anticipate market trends or to develop and introduce new or upgraded products that achieve market acceptance, or if we are unable to obtain effective product certifications from our customers, our product offerings may become less competitive and our market share may be captured by existing or new competitors. In such circumstances, intensified competition could lead to reduced sales volume, pricing pressure and lower margins, which could in turn materially and adversely affect our business, results of operations and future profitability.

Fluctuations in exchange rates of foreign currencies may adversely affect our business, financial condition and results of operations.

The exchange rate of Renminbi against other foreign currencies fluctuates and is affected by factors beyond our control, such as, among other things, changes in international political and economic conditions, as well as supply and demand in the local market. As a portion of our revenue from sales and our procurement of certain raw materials are denominated and settled in foreign currencies, we are therefore exposed to gains or losses arising from fluctuations in exchange rates. During the Track Record Period, we recorded foreign exchange gain of RMB7.8 million and RMB4.3 million for FY2023 and FY2024, respectively, and foreign exchange losses of RMB13.7 million and RMB7.7 million for 9M2024 and 9M2025, respectively. Furthermore, the **[REDACTED]** from the **[REDACTED]** will be received in Hong Kong dollars and the **[REDACTED]** of our H Shares on the Hong Kong Stock Exchange will be denominated in Hong Kong dollars. Fluctuations in the exchange rate between Renminbi and Hong Kong dollars or other foreign currencies may therefore affect the Renminbi value of the **[REDACTED]** from the **[REDACTED]** after conversion and the value of, and any dividends payable on, our Shares to **[REDACTED]** whose principal financial currency is Renminbi or a currency other than Hong Kong dollars. Any material volatility or adverse movements in the relevant exchange rates could, in turn, adversely affect the value of your **[REDACTED]**.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations. We may not be able to effectively integrate or manage our acquired business.

We have actively pursued mergers, acquisitions and industry consolidation opportunities, to complement our organic growth and develop new profit growth drivers. For example, we have invested in BAE and Kempur since 2020 to expand into the electronic materials business, For details, please refer to the section headed "History, Development and Corporate Structure — Milestones" in this document. We may in the future acquire additional assets or businesses and/or enter into strategic alliance that may generate synergies when combined with our existing business. Nevertheless, future acquisitions and the subsequent integration of new assets and businesses into our own may entail a number of risks. Given that our acquired businesses may differ from us in terms of geographical presence, product mix, competitive landscape, operating philosophy and management approach, there can be no assurance that the integration of such businesses with our Group will be completed as planned or that the business development and performance targets we envisaged for these acquisitions will be achieved in full, or at all. If we fail to successfully integrate our acquired businesses or to realise expected synergies, we may be exposed to risks such as underperformance of acquired entities, impairment of goodwill, diversion of management attention and resources, and failure to achieve our strategic objectives, any of which could materially and adversely affect our business, financial condition and results of operations.

We may fail to maintain an appropriate inventory levels in line with demand for our products, which could cause us to face the risk of obsolescence for our inventories.

Our inventories mainly consist of raw materials, work-in-progress and finished goods. We have taken measures to optimize our inventory level and conduct regular inventory check to reduce the risk of inventory obsolescence. For details of our inventory management policy, please see the paragraph headed "Business — Inventory management" in this document. As at 31 December 2023 and 2024 and 30 September

2025, we had inventories of RMB430.7 million, RMB486.2 million and RMB511.3 million, respectively. During the Track Record Period, we made provision for inventories amounting to RMB11.3 million, RMB11.9 million and RMB3.8 million, respectively, for FY2023, FY2024 and 9M2025. We made provision for write-down of inventories as our inventories may be damaged, obsolete in whole or in part, or the net realizable value of inventories is lower than their cost, resulting in failure to recover the cost of inventories. For the same periods, our inventory turnover days were 68 days, 70 days and 73 days, respectively. Please refer to the section headed "Financial information — Discussion of certain key items of consolidated statements of financial position — Inventories" in this document. We primarily adopt a sales-driven production planning model while maintaining an appropriate level of inventory to meet customers' urgent needs and to mitigate the impact of unexpected factors that may disrupt production schedules. However, we cannot guarantee that we will be able to maintain proper inventory levels for our raw materials, work-in-progress and finished goods. If we maintain an inventory that is higher than the actual demand, we may be exposed to increased inventory risks due to the accumulation of excess inventory of our raw materials, work-in-progress or finished goods. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs. Therefore, our business, financial condition and results of operations may be materially and adversely affected.

We have been and intend to continue investing significantly in R&D activities, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

We invest in R&D activities to develop and introduce new and enhanced products. For FY2023, FY2024 and 9M2025, our R&D expenses amounted to RMB179.8 million, RMB216.6 million, and RMB177.4 million, respectively, accounting for approximately 6.1%, 6.6% and 7.0% of our total revenue for the respective year/period. The industry in which we operate is subject to rapid technological innovations. To expand our product portfolio and to remain competitive in the industry, we need to continue investing significant resources in R&D activities. As a result, we may continue to incur significant R&D expenses in the future. However, we cannot guarantee that our efforts will be successful or deliver the effects, functions or benefits we expect. R&D activities are inherently uncertain. We may not be able to obtain sufficient resources, including qualified R&D personnel and R&D equipment to support the R&D of new or enhanced products. Even if we succeed in our R&D efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our R&D outcomes. Further, even if our R&D efforts successfully result in the development and commercialization of new products, these efforts may not contribute to our future results of operations within our expected timeframe, or at all. The success and profitability of our new products are subject to various factors such as market demand, macroeconomic conditions or the pace of technological advancement, which are beyond our control. Therefore, the contributions from our R&D efforts may not meet our expectations or even cover the costs of such efforts, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

We may not be able to fully maintain quality control over our products.

The quality of our products depends on the effectiveness of our quality control and quality assurance protocol, which in turn depend on factors such as the quality and reliability of equipment used, the quality of related training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocol. However, our quality control and quality assurance protocol may not be effective in preventing and resolving deviations from our quality standards. Any failure to execute our quality control and quality assurance protocol could render our products unsuitable for use or adversely impact our market reputation and relationship with business partners.

Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

We have recorded stable growth in our revenue during the Track Record Period. During FY2023, FY2024, 9M2024 and 9M2025, our revenue amounted to RMB2,937.3 million, RMB3,263.4 million, RMB2,419.6 million and RMB2,517.5 million, respectively. However, there can be no assurance that we will be able to maintain our historical growth rates in the future. Our future growth depends on a number of factors beyond our control, including but not limited to, the overall global economic conditions and the performance of the industries in which we operate. Our business, results of operations, and financial condition also depend in part on our ability to effectively manage our growth or implement our growth strategies. For details of our strategies, please refer to the section headed "Business — Our strategies" in this document. However, we cannot assure you we would be able to implement our strategies as planned. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications, delays, and other unknown events. If we are unable to achieve and sustain profitability, our business may be adversely affected.

We do not generally enter into long-term agreements with our customers and our business may be adversely affected by fluctuations in the level of orders placed by them.

We do not typically enter into long-term agreements with our customers. Our business with customers is generally conducted through individual purchase orders, and our customers are not obligated to continue to place orders with us at historical levels, or at all. As such, our customer portfolio and order types and sizes may vary from period to period. If we fail to secure sufficient new orders from existing or new customers to replace any reduced or lost business, our revenue, profitability and cash flow may be materially and adversely affected.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, results of operations, financial condition.

During the Track Record Period, we received government grants, many of which are non-recurring in nature or are subject to periodic review. In FY2023, FY2024 and 9M2025, we recorded government grants of RMB26.9 million, RMB23.5 million and RMB26.3 million, respectively. In addition, certain members of our Group were entitled to preferential income tax treatments. Please refer to the section headed "Financial information — Description of selected components of consolidated statements of profit or loss — Income tax" in this document for further details. If we cease to be entitled to (i) such government grants or preferential tax treatment or (ii) if the relevant PRC laws and

regulations change, upon which our income tax expenses may increase, our business, results of operations, financial condition and prospects could be adversely affected. There is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, results of operations, financial condition and prospects.

If we are unable to offer high-quality products, it may reduce the market acceptance of our products, damage our reputation or expose us to product liability and other claims.

Our customers generally have stringent requirements for quality, performance and reliability that our products must meet. Due to the complex product development and production process, our products may contain undetected defects or failures, which may be difficult to detect at an early stage of the production process and often are time-consuming, expensive or impossible to correct. If such defects and failures do exist in our products, we could experience lost revenue, increased costs, including warranty expenses and costs associated with after-sales services, cancellations or rescheduling of orders or shipments, and product returns or discounts. They may also result in claims against us by our customers or others, and subject us to liabilities and damages. Our reputation or brand may be damaged and our customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our business, financial condition and results of operations.

We may be subject to the risks associated with international trade, including changes in geopolitical conditions, disruptions to or cost volatility in international shipping and logistics, changes in regulatory requirements in relation to transfer pricing, international sanctions, export controls and related legal regimes.

During the Track Record Period, we derived a portion of our revenue from overseas countries and regions. In FY2023, FY2024 and 9M2025, our overseas sale accounted for approximately 18.7%, 19.0% and 18.8% of our total revenue, respectively. We are also involved in intra-group transactions with our subsidiaries in overseas. As such, our business and operation are exposed to a range of risks associated with international trade, including but not limited, changes in geopolitical conditions, disruptions to or cost volatility in international shipping and logistics, changes in regulatory requirements in relation to transfer pricing, international sanctions, export controls and related legal regimes.

Our operations may also be subject to deterioration in the political and economic relations among countries and sanctions and export controls administered by government authorities and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs and political instability. Margins on the sales of products that include components obtained from certain suppliers from other countries and regions could be materially and adversely affected by international trade regulations, including custom duties, tariffs and antidumping penalties. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting PRC companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In recent years, the United States has increased export controls and restrictions on the PRC through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce ("**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). These and other similar or more extensive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our R&D, product offerings and business operations. In addition, if any of our customers or suppliers is listed on the Entity List or otherwise subject to restrictions from sourcing or selling technologies, software, or components subject to the EAR from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

During the Track Record Period, our products were offered to customers in the PRC and overseas. We cannot assure you that our customers will not engage in the export of their goods incorporating our products or solutions into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other jurisdictions. If the export sales of our customers' end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, our customers' demand in our products may decrease and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

Our business depends on our ability to protect our intellectual property rights.

We rely primarily on a combination of our patents, trade secrets, trademarks, the confidentiality agreements signed by the employees, and confidentiality agreements signed with third parties to protect our intellectual property rights. There is no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, as such applications are expensive and time consuming. For details of our intellectual property rights, please refer to the section headed "Business — Intellectual property" in this document. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Unauthorized parties may be able to obtain and use information that we regard as proprietary. Under such circumstances, to protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings against parties who we believe are infringing our intellectual property rights. Legal proceedings are often costly and may divert management attention and resources away from our business. In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which case we are subject to additional risks related to the result of the proceedings, the amount of damages that we can recover, and the enforcement process. Accordingly, we may not be able to effectively protect or enforce our intellectual property rights in all relevant jurisdictions, which may have a material adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continued services and efforts of our experienced management and research and development personnel, and our operations may be severely disrupted if we lost their service.

Our future performance depends on the service and contribution of our experienced management to oversee and execute our business plans, identify and pursue new opportunities and product innovations. We also rely on our experienced management

team to ensure smooth business operations. If we fail to retain any member of our management team or we were unable to ensure a smooth transaction of their responsibilities, our business could be significantly disrupted, which may adversely affect our business, financial condition and results of operations.

Additionally, competition for highly skilled personnel is often intense, and we may incur significant costs to attract and retain highly skilled personnel in our research and development team. A stable and experienced R&D team is crucial for our product development, technological innovation, production efficiency and product quality improvement. Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly skilled engineers with expertise in the R&D and production of our products. We cannot assure you that we will be able to hire, develop or retain qualified staff or other highly skilled employees that we need in order to achieve our strategic objectives. Even if we do, these recruitments may require us to invest in significant amount of costs and resources, which may adversely affect our financial condition.

Any failure by our customers to make payments to us, or any disputes over, or significant delays in receiving, such payments could materially and adversely affect our cash flows and profitability.

During the Track Record Period, our trade receivables primarily represent receivables from customers for sales of our products. As at 31 December 2023 and 2024 and 30 September 2025, our gross trade receivables amounted to RMB614.1 million, RMB649.3 million and RMB730.0 million, respectively. The credit period granted to our customers was generally 10 days to 90 days. Our trade receivables turnover days were 73 days, 71 days and 75 days during FY2023, FY2024 and 9M2025, respectively. For details of our trade receivables, please refer to the section headed "Financial information — Discussion of certain key items of consolidated statements of financial position — Trade and bills receivables" in this document. Our customers may face unexpected circumstances such as worsened operational performance which may resulted in delays or failures in the settlement of our trade receivable. As such, we cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. If we fail to collect a significant portion of our trade receivables, our financial conditions would be materially and adversely affected.

We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a **[REDACTED]** company, the Stock Exchange and the SFC, which are charged with the protection of **[REDACTED]** and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in the PRC, and to new and evolving regulatory measures under applicable laws. We may also be subject to the changing social trends on the concerns regarding environmental, social and governance risks. Our efforts to comply with new and changing laws, regulations and social trends have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, as these laws, regulations and standards are subject to varying interpretations, their enforcement in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty for compliance and additional costs necessitated by ongoing updates to our disclosure and governance

practices. Any failure to address and comply with these laws and regulations and any subsequent changes could subject us to substantial fines or other liabilities or require us to suspend or adversely modify our operations.

Our production process produces pollutants such as waste gas, wastewater, noise and solid waste. The discharge of waste gas and other pollutants from our manufacturing operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. Should the governments impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such standards and regulations at reasonable costs, or at all. Any failure or any claim that we have failed to comply with these regulations could cause delays in our production and capacity expansion and affect our public image, either of which could harm our business.

Any failure to obtain or continuously maintain or renew approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses and permits in order to operate our business. Licenses, approval and permits required for our operations mainly include Production Safety Permit (安全生產許可證) for hazardous chemicals, Hazardous Chemicals Business License (危險化學品經營許可證) and Hazardous Chemicals Registration Certificate (危險化學品登記證). If we fail to maintain compliance with such laws and regulations, or otherwise fail to obtain or maintain any of the required approvals, licenses or permits or make or complete the necessary filings in any of the jurisdiction where we operate our business, our operations may be adversely affected.

In addition, in the event that we are required to renew our existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, we cannot assure you that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses and permits in a timely manner or at a reasonable cost. If we are unable to obtain, or experience material delays in obtaining necessary approvals, licenses and permits, it may have a material and adverse impact on our business, financial condition and results of operations.

We may be subject to administrative penalties with respect to non-compliance incidents of our owned properties

During the Track Record Period, we had not obtained the requisite construction planning permit (建設工程規劃許可證), construction commencement permit (施工許可證) and/or acceptance of completed construction project prior to the commencement of construction and/or operations of certain production facilities, which may subject us to administrative penalties under the applicable PRC laws and regulations. Please refer to the section headed "Business — Properties — Owned properties" in this document for further details. We cannot assure you that we will not be subject to actions and penalties by the relevant PRC government authorities. If we were required to pay fines and/or cease any of the operations we conduct on such properties, our business, operation and financial condition may be materially and adversely affected.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding or products.

Any negative publicity, whether warranted or not, could adversely affect our business. We believe that our brand is integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. The successful maintenance of our brand depends on our ability to provide competitive products and to strengthen business relationship with our customers. The successful promotion of our brand depends on the effectiveness of our marketing efforts and the amount of word-of-mouth referrals by our customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities will be successful or effective as expected. In addition, any negative publicity about our Company, Directors, employees, branding or products, whether warranted or not, may adversely affect our reputation and business. If our brand and reputation is damaged, we may face challenges in maintaining our current business relationships with our customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

Our products may be subject to warranty, indemnity and/or product liability claims, which could result in significant costs and damage to our business, reputation, market acceptance of our products, financial condition, results of operations and prospects.

We primarily engaged in the sales of high-end chemical materials. Our product development and production processes require high technical standards and specialised know-how. Any defects in our products may affect their quality and the performance of the end products. If any of our products contain defects, we may be required to incur additional development and remediation costs pursuant to warranty and indemnification provisions in our contracts and purchase orders, which may divert our technical and other resources from other product development efforts. Our downstream customers and any third party that use our products may bring claims against us for indemnification and damages resulting from the defects of our products. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems not capable of being resolved, our reputation may be harmed, which could adversely affect our operating results.

We may not be able to obtain additional funding on acceptable terms or at all, which may affect our ability to expand our business or meet unforeseen contingencies.

To grow our business and remain competitive, we may require additional capital from time to time for our daily operations and business expansion. Our ability to obtain additional capital is subject to a variety of potential changes in the future, including:

- our profitability, overall financial condition and results of operations;
- our market position and competitiveness;
- general market conditions for capital-raising activities by our competitors in China; and
- economic, political and other conditions in the countries or regions we operate in.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to sell additional equity securities or incur additional indebtedness. The sale of additional equity or equity-linked securities could dilute our Shareholders' shareholding interest. The additional indebtedness and related interest expenses could lead to increased debt service obligations and restrict our operations or our ability to pay dividends to our Shareholders due to certain operating and financing covenants.

Data security breaches and other disruptions could compromise our confidential and proprietary information, which could cause our business and reputation to suffer.

We collect and store business data and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. Please refer to the section headed "Business — Data privacy and information security risk management" in this document for more details. The secure maintenance of such data is critical. Despite our data security and protection measures, our information technology and infrastructure may be vulnerable to breaches by hackers, employee error, malfeasance or other disruptions such as natural disasters, power losses or telecommunication failures. Any such breach could compromise our networks and the information stored therein, possibly resulting in legal and regulatory actions, disruption of operations and customer services, and otherwise harming our business, reputation and future operations.

We may be subject to claims by third parties for intellectual property infringement.

We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to our business without infringing the intellectual property rights of third parties. Our products may use patents, copyrights, trademarks or other proprietary rights owned by other third parties. However, we cannot assure you that our competitors and other third parties will not bring legal claims against us for infringing on their patents, copyrights, trademarks or other intellectual property rights, whether such claims have merits or otherwise. The intellectual property laws in China, which cover the validity, enforceability and scope of protection of intellectual property rights, are evolving, and litigation is becoming a more commonly pursued method for resolving commercial disputes. Given the foregoing and the increasing competition in the market, we are exposed to a higher litigation risk. Any intellectual property lawsuits against us, whether successful or not, may harm our brand and reputation.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. There is no guarantee that we can obtain favorable judgments in all legal cases. If we are found to be liable for infringement upon intellectual property rights of certain third parties, we may be required to pay damages or cease using certain technologies or content that are critical to our products. Any resulting liabilities or expenses or any changes to our products that we have to make to limit future liabilities may have a material adverse effect on our business, financial condition and results of operations.

Share-based payments may cause shareholding dilution to our existing Shareholders and potentially have a material and adverse effect on our financial performance.

During the Track Record Period, we made share-based payments to our Directors, senior management and key employees for their contribution to us and providing them with an incentive for outstanding future performance. For FY2023, FY2024 and 9M2025, we

recognized equity-settled share-based payment expenses of RMB4.4 million, RMB43.1 million and RMB14.8 million, respectively. To further incentivize our Directors, senior management and key employees to contribute to us, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse effect on our financial performance.

Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition and results of operations.

Our sales and profitability depend significantly on general economic conditions and any adverse changes in general economic conditions, including any recession, economic slowdown or disruption of credit markets, may lead to lower demand for and price fluctuations of our products. Economic uncertainty affects our businesses in a number of ways, making it difficult to accurately forecast and plan our future business activities. A decline in end-user demand can affect the demand of the customers for our products, and the tightening of credit in financial markets may lead consumers and businesses to postpone spending, either of which may cause our customers to decrease, delay or even cancel their existing and future orders with us. In response to the decline in end-user demand and the shrunk customer base, we may consider lowering the price of our products and our profitability could be adversely affected. In addition, financial difficulties experienced by our suppliers or customers could result in product delays, increased accounts receivable defaults and inventory obsolescence. All these factors related to general economic conditions, which are beyond our control, could adversely impact our business, financial condition and results of operations.

We may not have sufficient insurance coverage to cover our potential liability or losses.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, such as pension insurance, unemployment insurance, work injury insurance and medical insurance. Please refer to the section headed "Business — Insurance" in this document for further details. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. Any uninsured occurrence including, among others, business disruption, material litigation, natural disaster or significant damages to our uninsured equipment or facilities may result in substantial costs and the diversion of resources. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks relating to litigation and disputes, which could adversely affect our business, financial condition, results of operations and prospects.

We may be subject to disputes or claims of various types brought by our competitors, employees, suppliers, customers, business partners or governmental entities against us relating to contractual disputes, labor disputes, intellectual property infringements or disputes involving misconducts of our employees. Such disputes and claims may evolve into litigations and damage our reputation, thereby adversely affecting our customer base. We cannot guarantee that we will not be subject to legal proceedings in the ordinary course of

business. Litigation is distractive and expensive as it may cause us to incur legal fees, allocate a significant portion of our resources and divert management team's attention from our day-to-day operations, any of which could adversely affect our business. In the event of an adverse judgement against us, we may need to spend a significant amount to settle claims or pay damages, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to natural disasters, health epidemic, acts of war, terrorism or other factors beyond our control.

Natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fires or floods, outbreaks of a widespread health epidemic or pandemic, or other events such as acts of war, terrorism, environmental accidents, power outages or communication interruptions may result in loss of lives, injury, destruction of assets and may materially and adversely affect our business. Our operations could also be disrupted if any of our employees or employees of our business partners were suspected of having any of the epidemic or pandemic illnesses, since this could require us or them to quarantine some or all of such employees or disinfect the facilities used for our operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause potential changes in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE PRINCIPAL PLACE WE OPERATE

Our business is affected by changes in the economic, political or social conditions or government policies of the countries or regions we operate in.

During the Track Record Period, the majority of our business assets, sales and revenue are located in and/or derived from the PRC. Accordingly, our business, financial condition, results of operations and prospects are subject to the economic, political and legal conditions in the PRC. Any changes in the political and economic policies in the PRC may materially and adversely affect our business, results of operations and financial condition and failure to fully adapt to these changes in political and economic policies may adversely affect our growth. Particularly, in recent years, regulatory policies over work safety and environmental protection in the PRC had been increasingly stringent. For details, please refer to the section headed "Regulatory Overview" in this document. Laws, regulations and policies may continue to evolve and undergo changes or adjustments, compliance to which may incur additional costs for us. If we cannot fully comply with these laws, regulations and policies, our business, financial condition, results of operations and prospects may be adversely affected.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

We are a company incorporated under the laws of the PRC and our Shareholders are subject to the tax laws and regulations in the PRC. Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation regulations, non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in the PRC, subject to applicable tax treaties between the PRC and the jurisdiction in which the foreign individual which reduce or exempt the relevant tax obligations. On the other hand, for non-PRC resident enterprises

that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the STA also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. As such, we are required to withhold applicable tax from our dividend payments pursuant to the applicable PRC tax laws and regulations. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident **[REDACTED]**, the value of your **[REDACTED]** in our Shares may be adversely affected. The applicable tax implications in respect of our dividend payments and/or gains from the sale or other disposition of our H Shares are subject to the then relevant PRC laws and regulations, including whether the relevant preferential tax treatment will be revoked in the future. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your **[REDACTED]** in our H Shares may be materially affected.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in the PRC. In addition, the majority of our Directors and executive officers reside in the PRC. As a result, it may not be possible for you to directly effect service of process upon or to enforce judgements against us or such Directors or executive officers who reside in the PRC.

Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated court of Hong Kong with respect to any civil and commercial cases (excluding certain types of which) may apply for recognition and enforcement of the judgment in the relevant court. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in other jurisdictions may be recognized and enforced in the PRC in consideration of the treaties or arrangements providing for the reciprocal enforcement of judgments of courts between the PRC and the country where the judgment was made. If no such treaties or arrangements are in place, you may experience difficulties in the enforcement of judgments in the PRC.

Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations which may in turn affect the value of your [REDACTED].

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. While we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our H Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, any changes to these foreign exchange regulations that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our Shareholders or satisfy any other foreign exchange obligation.

RISK RELATING TO THE [REDACTED]

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be **[REDACTED]** on the Hong Kong Stock Exchange. Under current PRC laws and regulations, our H Shares and A Shares are neither interchangeable nor fungible, and there is no **[REDACTED]** between the H Share and A Share markets. With different **[REDACTED]** characteristics, the H Share and A Share markets have divergent **[REDACTED]** volumes, liquidity and **[REDACTED]** bases, as well as different levels of retail and institutional **[REDACTED]** participation. As a result, the **[REDACTED]** performance of our H Shares and A Shares may not be comparable. Nevertheless, fluctuations in the price of our A Shares may adversely affect the **[REDACTED]** of our H Shares, and vice versa. Given the different characteristics of the H Share and A Share markets, the historical **[REDACTED]** prices of our A Shares may not be indicative of the further performance of our H Shares. You should therefore avoid placing excessive reliance on the **[REDACTED]** history of our A Shares when assessing an **[REDACTED]** in our H Shares.

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the **[REDACTED]**, there has been no **[REDACTED]** for our H Shares, and there is no assurance that a **[REDACTED]** for our H Shares with adequate **[REDACTED]** and **[REDACTED]** will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is subject to agreement between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**) and us, and may not be indicative of the **[REDACTED]** of our H Shares following the completion of the **[REDACTED]**. If an active **[REDACTED]** for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and liquidity of our H Shares may be materially and adversely affected.

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control.

The **[REDACTED]** volume of our H Shares may be subject to significant volatility due to a range of factors beyond our control. These may include, among others, changes in our further business and financial conditions, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. In addition, the **[REDACTED]** of our Shares may fluctuate due to factors that are not directly related to our performance, including changes in the general market conditions of securities in Hong Kong and elsewhere in the world. Particularly, the business, performance and/or **[REDACTED]** of the shares of other listed companies engaging in similar business may also affect the **[REDACTED]** and **[REDACTED]** of our Shares.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] could have a material adverse impact on the prevailing [REDACTED] of our H Shares, and [REDACTED] of additional Shares in the future may result in dilution of your shareholding.

The **[REDACTED]** of our H Shares could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the **[REDACTED]**, or the perception that such sales may occur. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which **[REDACTED]** in our H Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. **[REDACTED]** of Shares by such Shareholders and the availability of these Shares for future **[REDACTED]** may have a negative impact on the **[REDACTED]** of our Shares. In addition, we may **[REDACTED]** additional Shares in the future to, among other things, raise equity capital or pursuant to any existing or future share incentive schemes. Our Shareholders may experience dilution in their shareholdings if we **[REDACTED]** additional Shares in the future.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. Nevertheless, our historical dividends may not be indicative of our future dividend policy. There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS Accounting Standards. In addition, the declaration and payment of any future dividends are subject to the discretion of our Directors depending on, among others, our business and financial performance, cash requirements and availability, capital and regulatory requirements and general business conditions and other factors as our Directors may deem relevant from time to time, and subject to the approval at Shareholders' meeting.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the Shanghai Stock Exchange or the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the **[REDACTED]**. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. Therefore, prospective **[REDACTED]** in our H Shares should be reminded that, in making their **[REDACTED]** decisions as to whether to **[REDACTED]** our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to **[REDACTED]** our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources contained in this document.

Certain facts, forecasts, statistics and data contained in this document have been derived from various official government publications. The information from the official government sources has not been prepared or independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]** or any of our or their respective affiliates or advisers, and therefore, we make no representation as to the accuracy of such facts, forecasts, statistics and data. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should give due consideration as to how much weight or importance you should attach to or place on such facts, forecasts, statistics and data.

Our Controlling Shareholders have substantial influence over our Group and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue businesses that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect our operations such as the decision and implementation of our business plans, which may in turn affect our business and results of operations.

RISK FACTORS

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain forward-looking statements relating to us. When used in this document, the words "aim", "anticipate", "believe", "can", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. Such statements reflect the current views and the best estimates of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this document. Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved, and **[REDACTED]** should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this document but prior to the completion of the **[REDACTED]**, there may be press and media coverage regarding us and the **[REDACTED]**, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. Such press and media coverage may include references to information that do not appear in this document or is inaccurate. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective **[REDACTED]** are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this document only and should not rely on any other information. You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong when making your **[REDACTED]** decision regarding our H Shares. By applying to **[REDACTED]** our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you have not and will not rely on any information other than that contained in this document, the **[REDACTED]**, and any formal announcements made by us in Hong Kong in relation to our **[REDACTED]**.

WAIVERS

In preparation for the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

Rules	Subject matter
Rules 8.12 and 19A.15	Management presence in Hong Kong
Rules 3.28 and 8.17	Appointment of joint company secretaries
Rule 19A.18(1)	Appointment of an independent non-executive Director being ordinarily resident in Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Our Group's core business operations are principally located, managed and conducted in the PRC and our Company's headquarter is situated in the PRC. Besides, most of our executive Directors and senior management, who are primarily responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, principally reside in the PRC. Our Directors consider that either by means of relocation of our existing executive Directors to Hong Kong or the appointment of additional executive Directors who are ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and would not be in the best interests of our Company and our Shareholders as a whole.

As such, our Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Accordingly, we have applied for, and pursuant to Rule 19A.15 of the Listing Rules, the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies

with the Listing Rules at all times. The two authorized representatives (the "**Authorized Representatives**") are Mr. Yu Yaoming (俞堯明), an executive Director and Mr. Wong Chun Wing Samuel (黃俊穎) ("**Mr. Wong**"), our joint company secretary. Each of our Authorized Representatives will be available to meet with the Stock Exchange within a reasonable time frame upon request of the Stock Exchange and will be readily contactable by phone and email. Each of the Authorized Representatives is authorized to communicate on our behalf with the Stock Exchange;

(b) each of the Authorized Representatives has means to contact all of our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance communication between the Stock Exchange, our Authorized Representatives and our Directors, we have implemented a policy that (i) each Director has provided their respective contact details (including phone number and e-mail address) to the Authorized Representatives; (ii) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavour to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (iii) each of our Directors has provided their respective contact information to the Stock Exchange;

(c) our Directors who are not ordinarily resident in Hong Kong possess or can apply and/or renew for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required;

(d) we have appointed Lego Corporate Finance Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**. The Compliance Adviser will have access at all times to our Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication of our Company with the Stock Exchange when the Authorized Representatives are not available. Our Company shall ensure that our Authorized Representatives, Directors and our senior management members will timely provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties as set forth in the Listing Rules;

(e) we have provided the Stock Exchange with the names and contact information of at least two of the Compliance Adviser's officers who will act as our Compliance Adviser's contact persons between the Stock Exchange and our Company. We will inform the Stock Exchange as soon as practicable in respect of any change of the Authorized Representatives and/or the Compliance Adviser;

(f) we will appoint other professional advisers (including legal advisers in Hong Kong) after the **[REDACTED]** to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and

(g) our Company has designated staff members as the communication officers at our headquarter after the **[REDACTED]** who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisers in Hong Kong, including legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange will consider the following factors in assessing the "relevant experience" of the individual:

(1) length of employment with the issuer and other issuers and the roles he/she played;

(2) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (WUMP) Ordinance and the Takeovers Code;

(3) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(4) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Xu Chongpu (徐重璞) as one of our joint company secretaries. Our Company believes that it would be in the best interests of our Company and the corporate governance of the Group to have as its joint company secretary a person such as Ms. Xu, who has day-to-day knowledge of our Company's affairs. Ms. Xu has the necessary nexus to our Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Ms. Xu presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules

and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Wong, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Xu for an initial period of three years from the **[REDACTED]** (the "**Engagement Period**"), to enable Ms. Xu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. In the event that Mr. Wong resigns or his engagement is terminated earlier than the expiration of the Engagement Period, our Company will employ another qualified candidate as the joint company secretary to replace Mr. Wong and to assist Ms. Xu until the end of the Engagement Period.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Xu may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the **[REDACTED]**, and is granted on the condition that Ms. Xu will work closely with Mr. Wong to jointly discharge the duties and responsibilities as company secretary and assist Ms. Xu in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Wong will also assist Ms. Xu in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Wong is expected to work closely with Ms. Xu and will maintain regular contact with Ms. Xu, the Directors, and the senior management of our Company. The waiver will be revoked immediately if Mr. Wong ceases to provide assistance to Ms. Xu as a joint company secretary for the Engagement Period and in the absence of another qualified company secretary rendering the same assistance, or where there are material breaches of the Listing Rules by our Company. In addition, Ms. Xu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the Engagement Period. Ms. Xu will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) our legal advisers in Hong Kong, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the Engagement Period, the qualifications of Ms. Xu will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Ms. Xu, having benefited from the assistance of Mr. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR BEING ORDINARILY RESIDENT IN HONG KONG

Pursuant to Rule 19A.18(1) of the Listing Rules, our Company, as a PRC-incorporated issuer, is required to appoint at least one independent non-executive Director being ordinarily resident in Hong Kong.

WAIVERS

Currently, all the independent non-executive Directors reside in the United States or the PRC. Our Company does not have, and will not have upon the **[REDACTED]**, any independent non-executive Director who is ordinarily resident in Hong Kong.

Accordingly, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 19A.18(1) of the Listing Rules until the end of the term of office (being 14 October 2028), or the resignation or removal, of any independent non-executive Director, whichever is earlier, based on the following grounds:

(a) there are practical difficulties for our Company to change any current independent non-executive Director or appoint an additional independent non-executive Director who ordinarily resides in Hong Kong upon the **[REDACTED]**. Our independent non-executive Directors have recently been re-appointed to serve on the fourth session of our Board with a three-year term of office from 15 October 2025. Proposing the replacement of any of them soon after their re-appointment may create confusion in the market and undermine **[REDACTED]** confidence and raise concerns regarding the stability of governance practices. Moreover, the number of Directors and the composition of our Board (nine Directors, including three independent non-executive Directors) are stipulated in the Articles of Association. Appointment of an additional independent non-executive Director who ordinarily resides in Hong Kong would require the amendment to the Articles of Association, for which our Company has to comply with certain procedures as required under the Articles of Association, the listing rules of the Shanghai Stock Exchange and other applicable laws and regulations of the PRC, all of which could be time consuming and will distract the current focus of the senior management;

(b) our current independent non-executive Directors are highly recognized in their fields and industries, continue to provide independent advice and valuable industrial experience to our Board, and have extensive experience supervising listed issuers for the interest of our Shareholders and potential **[REDACTED]**. The current independent non-executive Directors are familiar with our business and operations and the management of our Board and senior management, whose experience and contribution to our Board are invaluable to our Group. Replacing any one of them with an individual ordinarily residing in Hong Kong may not be beneficial to our Company and our Shareholders as a whole because (i) it may take our Company substantial time and efforts to identify a candidate as suitable as the current independent non-executive Directors, as such candidate with equivalent background, skills, experience and qualifications is not widely available in the market; (ii) it may take our Company substantial time and efforts to identify a candidate who meets the requirements under the listing rules of the Shanghai Stock Exchange and other applicable laws and regulations of the PRC; and (iii) it would take any new independent non-executive Director a significant amount of time to understand our Group, the current trend of the market and industry, and other relevant factors that are crucial to the development and growth of our Group; and

(c) upon the **[REDACTED]**, our Company will have satisfactory corporate governance practices and arrangements to maintain regular communication with the Stock Exchange during the waiver period, in particular, our Company has appointed two authorised representatives, and will provide the contact details of the authorised representatives and the Directors to ensure the Stock Exchange has access to our Company and our Directors. Our Company will also appoint other professionals who are familiar with the relevant legal and regulatory issues and business environment in Hong Kong, such as the Compliance Adviser and Hong Kong legal advisers, to ensure our compliance with the Listing Rules after completion of the **[REDACTED]**. For further details relating to such communication arrangements, please refer to the paragraph headed "Waiver in Respect of Management Presence in Hong Kong" in this section above.

[REDACTED]

WAIVERS

[REDACTED]

WAIVERS

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Ms. Zhang Ning (張宁)	Room 4823 Four Seasons Place 8 Finance Street Central Hong Kong	Canadian
Mr. Ding Lin (丁林)	Room 1802 No. 6, Lane 3888 Douhui Road Minhang District Shanghai PRC	Chinese
Mr. Yuan Minjian (袁敏健)	Room 201 No. 14, Lane 728 Changdao Road Pudong New Area Shanghai PRC	Chinese
Mr. Yu Yaoming (俞尧明)	Room 503 No. 10, Lianyang Nianhua Garden Lane 910 Dingxiang Road Pudong New Area Shanghai PRC	Chinese
Mr. Tang Jie (湯捷)	Room 301 No. 13, Lane 128 Ziteng Road Minhang District Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Residential Address	Nationality
Non-executive Director		
Mr. Li Xiaoguang (李曉光)	8-1502 Jinshuiwan Residential Complex Qujiangchi South Road No. 855 Yanta District Xi'an City Shaanxi PRC	Chinese
Independent non-executive Directors		
Mr. Zhang Yun	6402 Middleburg Lane Bethesda, Maryland 20817–5532 United States of America	American
Mr. Jiang Changjian (蔣昌建)	Room 201 No. 23, Lane 289 Jinian Road Yangpu District Shanghai PRC	Chinese
Mr. Feng Yaoling (馮耀嶺)	Room 101, Unit 1 Floor 7 Zhujiang Road No. 106 Zhujiang Road Fenghuangcheng Tianmushan Road Community Committee Xuejiadao Road Huangdao District Qingdao City Shandong PRC	Chinese

For further details of the Directors and other senior management members, please see the section headed "Directors and Senior Management" in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**Haitong International Capital Limited** Suites 3001–3006 and 3015–3016 One International Finance Centre No.1 Harbour View Street Central Hong Kong
[REDACTED]	**[REDACTED]**
Legal Advisers to our Company	*As to Hong Kong law* **Chiu & Partners** 40th Floor, Jardine House 1 Connaught Place Central Hong Kong *As to PRC law* **AllBright Law Offices** 9/F, 11/F-12/F, Shanghai Tower No. 501 Yincheng Middle Road Pudong New Area Shanghai PRC
Legal Advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and. U.S. law* **Han Kun Law Offices LLP** Rooms 4301–10, 43/F Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC law* **Beijing Dacheng Law Offices, LLP (Shanghai)** 9th/24th/25th Floor Shanghai World Financial Center 100 Century Avenue Shanghai PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountant	**Ernst & Young** *Certified Public Accountants and* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square No. 1717 West Nanjing Road Shanghai 200040 PRC
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

Registered office	Room 2501, 25th Floor Shanghai Tower 501 Yincheng Middle Road Pilot Free Trade Zone Shanghai PRC
Headquarters and principal place of business in the PRC	Room 2501, 25th Floor Shanghai Tower 501 Yincheng Middle Road Pilot Free Trade Zone Shanghai PRC
Principal place of business in Hong Kong under Part 16 of the Companies Ordinance	40th Floor, Jardine House 1 Connaught Place Central Hong Kong
Company's website	**www.rachem.com** *(information contained in this website does not form part of this document)*
Joint company secretaries	**Ms. Xu Chongpu (徐重璞)** Room 2501, 25th Floor Shanghai Tower 501 Yincheng Middle Road Pilot Free Trade Zone Shanghai PRC **Mr. Wong Chun Wing Samuel (黃俊穎)** *(An associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorised Representatives	**Mr. Yu Yaoming (俞堯明)** Room 503 No. 10, Lianyang Nianhua Garden Lane 910 Dingxiang Road Pudong New Area Shanghai PRC

CORPORATE INFORMATION

	Mr. Wong Chun Wing Samuel (黃俊穎) 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit committee	Mr. Zhang Yun *(Chairperson)* Mr. Jiang Changjian (蔣昌建) Mr. Feng Yaoling (馮耀嶺)
Remuneration and Appraisal committee	Mr. Jiang Changjian (蔣昌建) *(Chairperson)* Mr. Ding Lin (丁林) Mr. Feng Yaoling (馮耀嶺)
Nomination committee	Mr. Feng Yaoling (馮耀嶺) *(Chairperson)* Ms. Zhang Ning (張宁) Mr. Zhang Yun
Strategic committee	Ms. Zhang Ning (張宁) *(Chairperson)* Mr. Ding Lin (丁林) Mr. Li Xiaoguang (李曉光) Mr. Jiang Changjian (蔣昌建)
Compliance adviser	**Lego Corporate Finance Limited** Room 1505, 15/F Wheelock House 20 Pedder Street Central Hong Kong
[REDACTED]	**[REDACTED]**
Principal bank	**China Merchants Bank** **Shanghai Branch** Changyang Sub-Branch No. 1441 Changyang Road Yangpu District Shanghai PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the ***[REDACTED]****. The information from official government sources has not been independently verified by us, the Sole Sponsor, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, any of their respective directors and advisers or any other persons or parties involved in the* ***[REDACTED]****, and no representation is given as to its accuracy.*

OVERVIEW OF CHINA'S NEW MATERIAL INDUSTRY

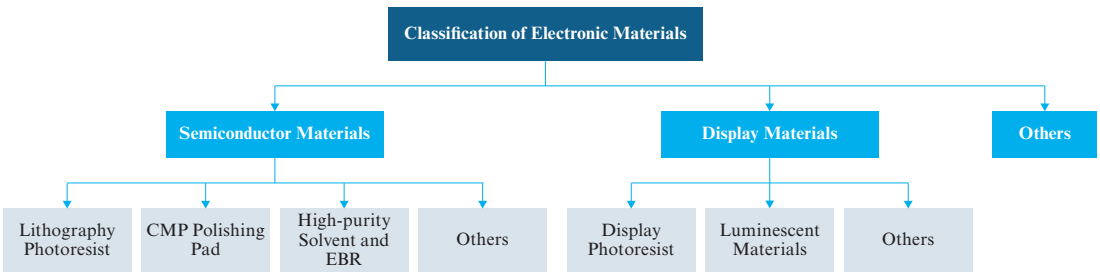
Definition and Classification of New Materials

New materials refer to materials that are newly developed or improved from traditional materials, featuring superior performance or specific functional properties. The new materials industry is characterized by high technological intensity, high R&D investment, and high value added, with strong international relevance and broad application fields. It is widely regarded as an important indicator of a country's comprehensive national strength and technological capability. New materials are generally classified into three categories, which are advanced basic materials, key strategic materials, and frontier new materials, as detailed below:

- **Advanced basic materials:** As high-performance upgraded iterations of traditional basic materials, advanced basic materials constitute the core support of the industrial system. Their performance is enhanced through process optimization and compositional modification, covering areas such as advanced steel and phenolic resin rubber additives for tyres. With mature technologies and extensive application, these materials are well aligned with manufacturing upgrading needs.
- **Key strategic materials:** Key strategic materials are core materials that support emerging industries and major equipment, featuring high technological barriers and significant strategic importance. They focus on high-performance structural and functional materials, including high-performance fibers and photoresist. These materials determine the level of autonomy and controllability in downstream high-end manufacturing.
- **Frontier new materials:** Frontier new materials refer to innovative materials at the stage of technological breakthrough or early industrialization, representing future development directions with disruptive potential and high growth prospects.

OVERVIEW OF ELECTRONIC MATERIALS INDUSTRY

Electronic materials include semiconductor materials, display materials, etc. Semiconductor materials consist of lithography photoresist, CMP pad, EBR, among others. Display materials comprise display panel photoresist, luminescent materials, and more.



INDUSTRY OVERVIEW

Overview and Development Status of the Semiconductor Industry

China has become one of the world's largest semiconductor consumption markets. The downstream applications of the semiconductor consumption market cover numerous sectors including consumer electronics, communications, automotive electronics and artificial intelligence. Driven by market demand and supported by national policies, China's domestic chip manufacturing industry is in a stage of rapid development. In terms of the market size of the integrated circuit (IC) industry in PRC, it has grown from RMB0.9 trillion in 2020 to RMB1.3 trillion in 2024, representing a CAGR of 10.6% during this period. Looking ahead, the market size of the IC industry in PRC is expected to maintain a high-speed growth momentum, projected to reach RMB2.0 trillion by 2029 with a CAGR of 8.5% from 2024 to 2029.

Overview of the Semiconductor Photoresist Industry

Definition, Classification and Industrial Importance of Semiconductor Photoresist Products

Semiconductor photoresist is a critical material for chip manufacturing, which can accurately transfer the circuit patterns on the photomask onto the silicon wafer surface. Its performance determines the integration level of chips, exerts an impact on their computing speed, power consumption and cost, and is the key to sustaining Moore's Law and achieving the miniaturization of chip manufacturing processes. Classified by photosensitive wavelength, semiconductor photoresist includes G-line (436nm), I-line (365nm), KrF (248nm), ArF (193nm) and EUV (13.5nm) types, and it is a core material supporting the manufacturing of the semiconductor industry.

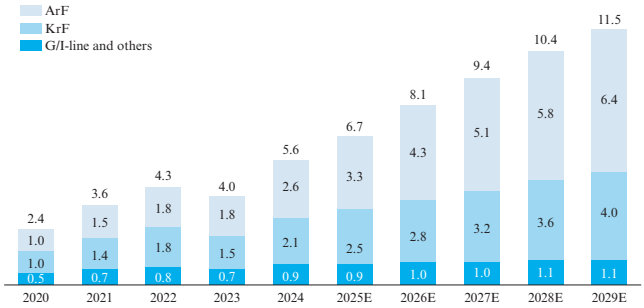
- **G/I line photoresist:** As a fundamental category of semiconductor photoresists, it corresponds to the exposure wavelengths of 436 nm and 365 nm and is used in the manufacturing of basic semiconductor components such as power devices. Its core value lies in ensuring the reliability and stability of basic devices, as well as meeting the large-scale demand for power semiconductors and basic chips in downstream fields.
- **KrF/ArF/EUV photoresist:** As the core category of high-end semiconductor photoresists, they meet the requirements of different advanced manufacturing processes. KrF photoresist corresponds to a wavelength of 248 nm and is applied in the mid-to-high-end manufacturing processes of logic and memory chips; ArF photoresist corresponds to a wavelength of 193 nm and serves as a critical material for the manufacturing of core devices in high-end end products; EUV photoresist corresponds to a wavelength of 13.5 nm and underpins the performance breakthroughs of chips. The industrial value of the three lies in driving the upgrading of the semiconductor industry and determining the localization capability of high-end chips. Technological breakthroughs in this field can break foreign monopolies, reduce production costs, and ensure the supply of core devices for strategic emerging industries, which stands as an important symbol for measuring the core competitiveness of a country's semiconductor industry.

Market Size of the Semiconductor Photoresist Industry

In terms of the sales value of China's semiconductor photoresist market, the sales revenue of ArF photoresist increased from RMB1.0 billion in 2020 to RMB2.6 billion in 2024, with a CAGR of 26.6%, and is projected to reach RMB6.4 billion by 2029, representing a CAGR of 20.2% for the period. The sales revenue of KrF photoresist rose from RMB1.0 billion in 2020 to RMB2.1 billion in 2024, with a CAGR of 21.7%, and is expected to reach RMB4.0 billion by 2029, with a CAGR of 13.6% for the period. The sales revenue of G/I-line and other photoresists grew from RMB0.5 billion in 2020 to RMB0.9 billion in 2024, with a CAGR of 17.4%, and is forecast to reach RMB1.1 billion by 2029, with a CAGR of 3.3% for the period.

Market Size of China's Semiconductor Photoresists, by Sales Revenue
RMB Billion, 2020–2029E

CAGR	2020–2024	2024–2029E
Semiconductor Photoresists	23.0%	15.5%
ArF	26.6%	20.2%
KrF	21.7%	13.6%
G/I-line and others	17.4%	3.3%



Source: Frost & Sullivan, SEMI

Market Drivers and Future Trends Analysis of the Semiconductor Photoresist Industry

- **The expanding end-market demand represented by artificial intelligence is reshaping the structure of the semiconductor industry.** The increase in computing power demand for the training and inference of large models has directly driven the growth in market shipments of high-end chips such as high-performance computing chips. It has also raised the technical requirements for the lithography process, as well as the market demand for consumption volume and technical application thresholds of high-performance photoresists.
- **Wafer production capacity in China is expanding.** PRC is pushing forward the construction and capacity ramping of wafer fabs, emerging as a concentrated hub for new capacity additions. The commissioning of domestic wafer fabs has boosted production capacity and driven the growth of photoresist demand.
- **Continuous upgrading of technological routes, with high-endization as the long-term core trend:** As wafer manufacturing processes evolve toward more advanced nodes with smaller feature sizes, the lithography process demands higher resolution and stability, driving the technological upgrading of photoresists.
- **Accelerated localization process with the competitive focus shifting toward comprehensive capabilities:** Against the backdrop of the expanding wafer production capacity in PRC and the growing demand for supply chain security, the localization process of photoresists has been accelerated. Domestic photoresists are evolving from early-stage experiments and small-batch verification to multi-production-line adoption and large-scale application, with their scope of application expanding from a single process node to multiple nodes.

Cost Analysis of Raw Material

The raw materials for semiconductor photoresists include various resins, photoinitiators, solvents, additives, among others. Each category comprises multiple specific types, with a broad range of prices.

Key Success Factors and Competitive Landscape Analysis of the Semiconductor Photoresist Industry

Key Success factors include:

- **Strong R&D capabilities and sustained innovation capacity:** The core driving force for the commercial success of semiconductor photoresist suppliers lies in their technological innovation capabilities. With the advancement of semiconductor manufacturing processes, the performance requirements for photoresists are constantly rising, and advanced process nodes demand breakthroughs in aspects such as resolution for photoresists. Suppliers are required to continuously invest in R&D, explore new materials and manufacturing processes, and address key technological bottlenecks.
- **Capability to pass rigorous certification by downstream wafer fabs:** Photoresist is a material with strong certification attributes, and its product adoption requires long-cycle, multi-round process verification and yield evaluation, covering stages such as pilot line verification, trial production line adoption and mass production line stability testing. Passing certification by leading wafer fabs means that the product meets mass production-level requirements for core indicators such as defect control. Meanwhile, successful certification helps forge highly sticky customer partnerships; once integrated into the mainstream material system, the high replacement cost ensures stable supply relationships.
- **Capability for independent and controllable supply of key upstream materials:** The performance of photoresists is highly dependent on the quality and stability of upstream monomers, resins and additives. Enterprises that realize the vertically integrated layout of the "monomer-resin-photoresist" industrial chain can conduct in-depth optimization of molecular structures and purification processes at the source, reducing reliance on external supplies.
- **Stable large-scale production capacity:** Scaling up photoresists from laboratory formulations to mass-produced products carries the risk of scale-up effects, with stringent requirements for production line cleanliness, process consistency and batch stability. Enterprises with large-scale production capacity typically possess high-standard production facilities, a comprehensive quality control system and mature experience in process scale-up.

Competitive Landscape Analysis of China's Semiconductor Photoresist Industry:

The top ten semiconductor photoresist players in the Chinese Market, Ranked by sales revenue of semiconductor photoresist in China's market from January to September 2025

Ranking	Company Name	Country	Sales Revenue (Unit: RMB100 million)
1	Company A	Japan	~12.8
2	Company B	Japan	~10.5
3	Company C	Japan	~9.5
4	Company D	Singapore	~7.4
5	Company E	Japan	~4.4
6	Company F	Japan	~4.3
7	**The Company**	**PRC**	**2.9**
8	Company G	South Korea	~1.1
9	Company H	PRC	~1.0
10	Company I	PRC	~0.7
	Top 10		**~54.6**

Source: Frost & Sullivan

Note:

Company A, headquartered in Japan, is a listing company. The company's business covers semiconductor photoresists, display photoresists, supporting materials, etc.

Company B, headquartered in Japan, is a listing company. The company's business covers semiconductor photoresists, display photoresists, synthetic resins, and functional polymer materials.

Company C, headquartered in Japan, is a listing company. The company's business covers semiconductor silicon, semiconductor photoresist, electronic materials, etc.

Company D, headquartered in Singapore, is a listing company. The company's business covers semiconductor photoresist, engineered materials, electronic chemicals, etc.

Company E, headquartered in Japan, is a listing company. The company's business covers semiconductor materials, display and other electronic materials, etc.

Company F, headquartered in Japan, is a listing company. The company supplies photoresists and functional materials for semiconductor and display applications.

Company G, headquartered in South Korea, is a chemical company that provides fine chemical materials including photoresists and CMP slurries, serving the electronic components and semiconductor materials markets. It is a listing company.

Company H has its headquarter in PRC. The company's business covers semiconductor photoresists, display photoresists, and supporting materials.

Company I, headquartered in PRC, provides end-to-end semiconductor material solutions, including photoresist, CMP slurries and other high-performance materials.

The top five domestic players in China's semiconductor photoresist market, ranked by the sales revenue of semiconductor photoresist in China's market from January to September 2025

Ranking	Company Name	Sales Revenue (Unit: RMB100 million)
1	**The Company**	**2.9**
2	Company H	~1.0
3	Company I	~0.7
4	Company J	~0.4
5	Company K	0.1–0.3
	Top 5	**~5.2**

Source: Frost & Sullivan

Note:

Company J has its headquarter in PRC. Its core offerings include photoresists and related chemical materials, providing localized material solutions for integrated circuit and display manufacturing customers.

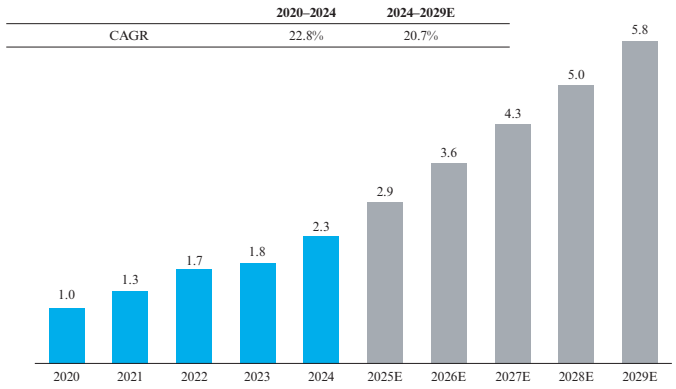
Company K has its headquarter in PRC. Its products are mainly applied in the semiconductor industries.

The market share of the semiconductor photoresist market is dominated by leading suppliers from Japan. In China's market, the company ranks as the seventh largest overall in terms of sales value of semiconductor photoresists from January to September 2025. From January to September 2025, the total sales value of the top five domestic enterprises in China's semiconductor photoresist market reached approximately RMB520 million. Based on the sales value of semiconductor photoresists in the Chinese market from January to September 2025, the issuer is the top domestic company in terms of semiconductor photoresist sales value in China's market.

Overview of the CMP Polishing Pad Industry

CMP polishing pads are core consumables for CMP, applied in semiconductor wafer manufacturing to perform high-precision planarization on silicon wafers and surface thin films such as silicon oxide. Working in conjunction with polishing slurries and polishing heads, they achieve the synergistic chemical and mechanical material removal under specific pressure and rotational speed, controlling the microscopic topography of wafer surfaces at the nanometer level to meet the planarization requirements of advanced manufacturing processes. Benefiting from the expansion of wafer manufacturing capacity in China and the growing demand for chips with mature processes, the market size of domestic CMP polishing pads has witnessed rapid growth from 2020 to 2024, with sales revenue increase from RMB1.0 billion to RMB2.3 billion at a CAGR of 22.8%. Going forward, driven by the increased polishing processes per wafer resulting from technological iteration of advanced-process chips, the sales revenue of CMP polishing pads in China is projected to reach RMB5.8 billion by 2029, representing a CAGR of 20.7%.

Market Size of China's CMP Polishing Pad, by Sales Revenue
RMB Billion, 2020–2029E



Source: Frost & Sullivan

Overview of the High-purity solvent and EBR Industry

EBR is a high-purity solvent for the semiconductor lithography process. It can dissolve and remove the photoresist residues remaining on the wafer edge and back surfaces of substrates. With the expansion of semiconductor wafer manufacturing capacity in China, the market size of EBR in China has grown rapidly from 2020 to 2024, with sales revenue rising from RMB0.1 billion to RMB0.6 billion at a CAGR of 42.0%. In the future, the semiconductor industry's pursuit of yield improvement and cost control will drive wafer fabs to strengthen the control of edge defects and increase the procurement demand for high-performance EBR. It is projected that the sales revenue of EBR in China will reach RMB1.6 billion by 2029, with a CAGR of 22.9%.

Overview of the Display Materials Industry

Definition and Classification of the Display Photoresists

Display photoresists are critical materials in display panel manufacturing. Through photolithography processes, they enable the formation of fine patterns on substrates, thereby supporting high performance and high resolution of display devices. As core materials within the display industry, the quality and performance of display photoresists have a direct impact on panel yield rates, resolution, and color performance. With continuous global advancements in display technologies, particularly the maturation and commercialization of OLED and Micro LED technologies, the importance of display photoresists has become increasingly prominent. They not only support the upgrading of traditional LCD panels but also provide essential material foundations for the development of next-generation display technologies.

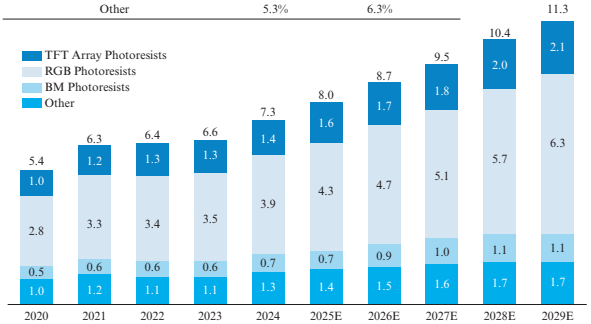
- **TFT Array Photoresists:** TFT array photoresists are used in the array process of TFT backplates to pattern electronic circuits on the substrate, featuring high resolution and high photosensitivity.
- **Color Photoresists:** Color photoresists include red, green, and blue (RGB) photoresists, as well as black matrix (BM) photoresists. They are used in the color filter (CF) process of LCD panel manufacturing to form color filters.
- **Transparent Photoresists:** Transparent photoresists are mainly divided into PS spacer photoresists and OC planarization layer photoresists. PS spacer photoresists are used to fabricate elastic spacer structures that support the glass substrates and define the liquid crystal cell gap, requiring excellent elasticity and photolithographic performance. OC planarization layer photoresists are applied to smooth height differences between pixel structures, thereby improving display contrast. High planarization performance is the key technical requirement.
- **Organic Insulating Films:** Organic insulating films typically perform key functions such as isolating conductive layers, preventing electric leakage, planarizing surfaces and buffering stress. In the high-end display field, organic insulating films can be applied in the backplate of LCD, OLED, Micro-LED and other display technologies, for instance, serving as passivation layers, interlayer dielectric materials and pixel defining layers. Compared with inorganic insulating films, organic insulating films have distinct advantages in flexibility, low dielectric constant and process compatibility, and are important basic materials for realizing high-definition, thin and light, flexible and highly integrated devices.

Market Size and Market Drivers Analysis of the Display Photoresists

From the perspective of sales revenue in China's display photoresist market, TFT array photoresists increased from RMB1.0 billion in 2020 to RMB1.4 billion in 2024, and are expected to reach RMB2.1 billion by 2029. Sales revenue of RGB photoresists grew from RMB2.8 billion in 2020 to RMB3.9 billion in 2024, representing a CAGR of 8.4%, and is projected to reach RMB6.3 billion by 2029, with a CAGR of 9.8% during the forecast period. Sales revenue of BM photoresists increased from RMB0.5 billion in 2020 to RMB0.7 billion in 2024, with a CAGR of 8.7%, and is expected to reach RMB1.1 billion by 2029, corresponding to a CAGR of 10.7% over the period. Sales revenue of other display photoresists rose from RMB1.0 billion in 2020 to RMB1.3 billion in 2024, achieving a CAGR of 5.3%, and is projected to reach RMB1.7 billion by 2029, with a CAGR of 6.3% during the period.

Market Size of China's Display Photoresists, by Sales Revenue
RMB Billion, 2020–2029E

CAGR	2020–2024	2024–2029E
Total	7.9%	9.0%
TFT Array Photoresists	8.8%	8.2%
RGB Photoresists	8.4%	9.8%
BM Photoresists	8.7%	10.7%
Other	5.3%	6.3%



Source: Frost & Sullivan

Market Divers Analysis of China's Display Photoresists Industry:

- **Continued expansion of downstream panel production capacity provides a stable demand foundation**: In the global LCD panel capacity landscape, Chinese manufacturers occupy a dominant position. Leading players possess significant scale advantages in large-size LCD panels, while OLED production capacity is also expanding. The continuous expansion of panel capacity directly drives demand growth for display photoresists.
- **Ongoing display technology innovation drives industry upgrading:** The display industry is evolving toward higher resolution, higher refresh rates, and increasingly complex device structures, with technologies such as 8K displays, flexible OLED, and Mini LED reaching commercialization maturity. These advanced display technologies raise the technical thresholds for high-performance photoresists.
- **Accelerated release of demand for domestic substitution**: From a market structure perspective, the localization rates of TFT array photoresists, BM photoresists, and RGB photoresists remain relatively low, with core market segments long dominated by Japanese and Korean suppliers. Against the backdrop of rising global supply chain uncertainties, panel manufacturers have placed greater emphasis on the security and controllability of key materials, strengthening their willingness to introduce domestic photoresist products. On the one hand, domestic photoresists can reduce reliance on overseas suppliers and enhance supply stability; on the other hand, when performance is comparable, domestic products offer advantages in cost efficiency and delivery responsiveness.

Cost Analysis of Raw Material

The raw materials for photoresist include resin, photoinitiators, and others. Each category encompasses a wide variety of subtypes, with considerable price ranges. However, as the domestic production process further accelerates, the potential for cost reduction will also expand.

Key Success Factors and Competitive Landscape Analysis of the Display Photoresists Industry

Key Success Factors Analysis:

- **Sustained technological innovation to achieve breakthroughs in advanced formulations:**

  Display photoresists are technology-intensive materials whose performance improvements rely heavily on continuous innovation in formulation systems, resin design, and process integration. Companies need to consistently increase R&D investment, attract multidisciplinary talent with expertise in chemical synthesis, materials engineering, and process development, and build a comprehensive R&D system covering basic research, application development, and mass-production commercialization.

- **Stable mass-production and quality control capabilities to ensure high purity and consistency:**

  Display photoresists impose stringent requirements on purity and batch-to-batch consistency, making mass-production capability critical for large-scale applications. Companies must establish robust manufacturing processes and strict quality control systems, and introduce intelligent and automated technologies to improve efficiency and reduce human-induced variability.

- **Capability to pass stringent certification by leading panel manufacturers and build deep collaborative relationships:**

  Display photoresists are materials with strong certification requirements, and product adoption involves long-cycle process verification and mass-production testing. To obtain certification from leading panel manufacturers, companies must meet mass-production-level standards in product performance stability, process compatibility, and long-term supply capability. This requires deep participation in customers' R&D activities and production line commissioning, provision of customized solutions, and the establishment of rapid-response mechanisms to support customers' technical improvements or process adjustments in a timely manner.

Competitive Landscape of the China's Display Photoresists Industry:

The top five global players in the display photoresist market, ranked by sales revenue of TFT array photoresists in the Chinese market from January to September 2025

Ranking	Company Name	Country	Sales Revenue (Unit: RMB100 Million)
1	Company L	Germany	~5.0
2	**The Company**	**PRC**	**2.6**
3	Company M	PRC	~1.1
4	Company N	PRC	~0.7
5	Company H	PRC	~0.2
	Top 5		**~9.6**

Source: Frost & Sullivan

Note:

Company L, headquartered in Germany, is a listing company. In the electronics segment, the company provides critical materials for the semiconductor and display industries, including photoresists, OLED materials, and other advanced electronic materials.

Company M, headquartered in PRC, is a listing company. Its business focuses on the research, development, manufacturing, and sales of key materials for semiconductor and display applications.

Company N, headquartered in PRC, is a listing company. Its main products include photoresists for display and semiconductor applications, functional materials, etc.

From January to September 2025, the sales revenue of TFT array photoresists in the Chinese market of the top five enterprises in the global display photoresist market reached approximately RMB960 million. Based on the sales revenue of TFT array photoresists in the Chinese market from January to September 2025, the issuer ranks second in the Chinese market in terms of TFT array photoresist sales value.

Overview of the Luminescent Materials Industry

Definition and Current Development of the Luminescent Materials

Luminescent materials are functional materials that convert electrical energy or other forms of energy into electromagnetic radiation and visible light under external energy excitation. They are widely used in display and related application fields. In display and lighting applications, luminescent materials regulate light color and brightness by tuning energy-level structures and chemical compositions, making them one of the critical foundational materials that determine device display performance and energy efficiency.

Driven by expanding demand from downstream markets such as OLED panels, China's luminescent materials market maintained steady growth from 2020 to 2024. Sales revenue increased from RMB3.1 billion in 2020 to RMB5.3 billion in 2024, representing a CAGR of 14.2%. Within this market, the red-emitting materials segment grew from RMB1.1 billion in 2020 to RMB2.1 billion in 2024, achieving a CAGR of 16.5%. Looking ahead, with the continuous expansion of emerging application scenarios, China's luminescent materials sales revenue is projected to reach RMB10.4 billion by 2029, with a CAGR of 14.6%. Among them, red-emitting materials sales revenue is expected to reach RMB4.6 billion, with a CAGR of 16.9%.

Market Drivers Analysis:

- **Rising requirements for color gamut and display performance at the high-end:** With the continued evolution of display terminals toward higher resolution, higher brightness, higher contrast, high energy-saving and wider color gamut, downstream panel manufacturers have placed increasingly stringent performance requirements on luminescent materials. Key attributes, including luminous efficiency, color purity, and long lifetime, directly determine color reproduction accuracy and overall visual performance of display devices.
- **Significantly rising demand for domestic substitution and supply chain security:** In the high-end luminescent materials segment, certain core products have long been dominated by overseas suppliers, with high technological and process barriers. Amid growing uncertainties in the global trade environment, accelerating domestic substitution of luminescent materials has become critical to mitigating supply chain risks and optimizing manufacturing costs. Supported by favorable policies and downstream application validation, domestically produced luminescent materials are achieving accelerated technological breakthroughs, with the pace of import substitution continuously increasing.

OVERVIEW OF CHINA'S RUBBER CHEMICALS INDUSTRY FOR AUTOMOTIVE TYRES

The Importance and Commercial Prospects of Rubber Products

Rubber is an important strategic material for industrial development, boasting properties such as elasticity and wear resistance, and serving as an excellent electrical insulating material. Owing to these characteristics, it is a high-quality raw material for tyre production. Affected by fluctuations in external market demand, the total production volume of tyre casings in China witnessed a volatile growth from 2020 to 2024, rising from 807.5 million units in 2020 to 1,186.9 million units in 2024 at a CAGR of 10.1%. Looking ahead, driven by the development of the automotive industry at home and abroad, especially the rise of NEVs and the release of domestic production capacity, the total production volume of tyre casings in China will achieve steady growth. It is projected to increase to 1,431.4 million units in 2029, representing a CAGR of approximately 3.8% from 2024 to 2029.

Definition and Classification of Rubber Additives

Rubber additives are specialty chemical products used in rubber processing to enhance the performance of rubber products and ensure their service life. As crucial auxiliary materials in the rubber industry, they significantly improve processing techniques and improve product quality. Although required at low volumes, they play a decisive role in enhancing product performance. High-quality rubber additives improve processing properties, elevate quality, prevent aging and degradation, and extend service life. Their primary applications include tyres and sealing strips. Rubber additives are categorized into general-purpose and specialty types. General-purpose additives include antioxidants; specialty additives encompass processing aids and functional additives, with the former improving processing conditions and the latter enhancing adhesion between rubber and

framework materials. Phenolic resins are vital specialty rubber additives. In the automotive tyre sector, they are divided into tackifying, bonding, and reinforcing resins, which respectively improve adhesion, bonding strength, and mechanical strength. Phenolic resins for automotive/tyre applications drive process innovation in the tyre industry, forming a close connection. Though rubber additives constitute a low proportion of final product costs, they determine the lifespan, safety, and environmental performance of rubber goods (especially tyres), exerting a valuable leverage effect on downstream industries.

Commercial Prospects and Market Drivers of China's Rubber Additives Market

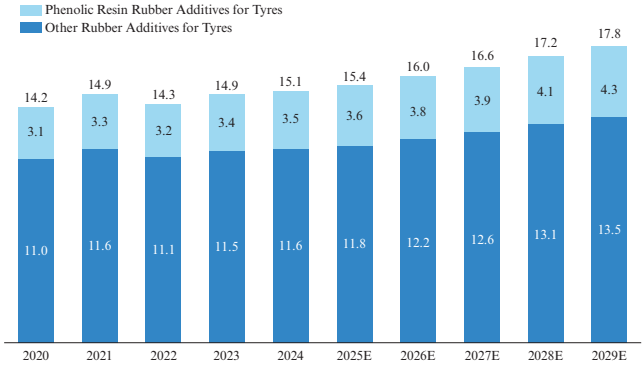
China is the world's largest producer of rubber additives, with its output accounting for approximately 78% of global production in 2024.

Affected by global economic fluctuations, China's rubber additives market experienced slight fluctuations from 2020 to 2024. Total output value increased from RMB20.2 billion in 2020 to RMB21.5 billion in 2024, representing a CAGR of 1.5%. Among these, specialty rubber additives grew from RMB7.3 billion to RMB7.8 billion, achieving a CAGR of 1.7%; while other rubber additives grew from RMB12.9 billion to RMB13.7 billion, achieving a CAGR of 1.4%. Looking ahead, driven by rising demand for NEVs and expanding application scenarios, the market is projected to continue growing. Total output value is expected to rise to RMB25.4 billion in 2029, representing a CAGR of 3.4% from 2024 to 2029. Among these, specialty rubber additives are projected to grow to RMB10.0 billion, with a CAGR of approximately 5.0%. Other rubber additives are expected to increase to RMB15.4 billion, achieving a CAGR of about 2.4%.

In China's rubber additive market, the majority of rubber additives are used in automotive tyre applications. With the rising demand for NEVs, rubber additives for tyres are projected to maintain steady growth. The market value of rubber additives for tyres in China grew from RMB14.2 billion in 2020 to RMB15.1 billion in 2024, achieving a CAGR of 1.6%. It is projected to reach approximately RMB17.8 billion by 2029, with an estimated CAGR of around 3.3% from 2024 to 2029. Specifically, the output value of phenolic resin rubber additives for tyres increased from RMB3.1 billion in 2020 to RMB3.5 billion in 2024, achieving a CAGR of 2.7% during this period. In the future, driven by rising demand for high-performance rubber additives, the output value of phenolic resin rubber additives for tyres will continue to grow. By 2029, the output value is projected to reach RMB4.3 billion, with a CAGR of approximately 4.2% from 2024 to 2029.

Market Size of China's Rubber Additives for Automotive Tyres, by Output Value
RMB Billion, 2020–2029E

CAGR	2020–2024	2024–2029E
Phenolic Resin Rubber Additives for Tyres	2.7%	4.2%
Other Rubber Additives for Tyres	1.3%	3.0%
Total	1.6%	3.3%



Source: Frost & Sullivan

Market Drivers and Future Trends Analysis of the China's Rubber Additives Market

- **Growing Demand for NEVs:** The rapid penetration of NEVs has become a growth engine for China's automotive industry, driving expansion in the overall vehicle market and boosting demand for tyres and rubber products. Compared with traditional fuel vehicles, NEVs impose stricter requirements on tyre performances such as low rolling resistance and lightweighting to meet their range and energy efficiency targets. This trend drives the high-end and precision manufacturing of tyres, compelling the optimization of compound systems and setting higher standards for the performance and efficiency of rubber additives.
- **ESG Transformation Drives Process Optimization:** Against the backdrop of China's dual carbon goals and intensifying environmental regulations, green manufacturing and technological innovation have become the core drivers of high-quality development in the rubber additives industry. Policy and market demands are raising environmental thresholds, accelerating technological innovation and clean production upgrades across the sector. Upstream enterprises' heightened ESG transition requirements for raw material environmental standards are driving emission reductions in rubber additive production, accelerating the adoption of clean technologies and green products.
- **Following Downstream Partners Overseas:** As Chinese tyre manufacturers accelerate overseas factory expansion in Thailand, Vietnam, Europe, and other regions, domestic rubber additive companies are responding to globalization by implementing overseas strategies. To serve global customers and enhance localized competitiveness, domestic rubber additive companies establish overseas distribution centers or production bases. This ensures timely responses to market demands, provides technical support and delivers customized solutions. Such localized operations reduce trade and logistics risks, integrate into the global tyre supply chain, strengthen partnerships with local enterprises, and boost global market share and influence.
- **Southeast Asia and Latin America Emerge as New Export Engines:** Against the backdrop of strict trade barriers imposed by traditional markets in Europe and the US, Chinese rubber chemical companies are accelerating their expansion into emerging markets like Southeast Asia, the Middle East, and Latin America. Rapidly growing demand for rubber products in these regions, coupled with relaxed access policies and low trade costs provide new opportunities.

Cost Analysis of Raw Material

The primary raw material for phenolic resin rubber additives is phenol. Since 2022, its price has been fluctuating downward and is expected to stabilize and grow in the future.

Key Success Factors and Competitive Landscape Analysis of the Rubber Additives Industry

- **Formulation Techniques:** Rubber additive production involves fine chemical synthesis, with specialized formulation design capabilities serving as the core competitive advantage of the industry's leading enterprises. Precise control over reaction conditions enables industry-leading product yields, purity, and batch consistency. Simultaneously, fine-tuning microstructures meets customized demands from downstream customers, with formulation design becoming more complex for high-end applications. This capability ensures product performance and reliability, serving as a key advantage for addressing market needs and delivering customized solutions.

- **Industrial Chain Integration Capability:** Key intermediates in the rubber additives industry (such as phenol, aniline, and cyclohexane) are critical to product performance. To ensure product quality and mitigate raw material price volatility risks, some enterprises pursue vertical integration by expanding into upstream key intermediates and raw materials. This strategy ensures controllable production, stable additive performance, and enhances corporate involvement in the supply chain. Self-producing core intermediates reduces reliance on external suppliers, mitigates profit margin shocks, and strengthens bargaining power and cost competitiveness.
- **Comprehensive Product Portfolio:** Leading enterprises in the industry possess a complete product portfolio spanning multiple categories such as vulcanizing agents and accelerators, enabling them to provide one-stop solutions for downstream rubber product manufacturers, particularly tyre companies. Through this comprehensive product line strategy, companies meet diverse rubber product requirements.

Competitive Landscape Analysis of China's Rubber Additives Industry:

As of September 2025, the top 5 companies in the phenolic resin rubber additives for global tyres market, ranked by sales revenue from January to September 2025

Ranking	Company Name	Sales Revenue (Unit: RMB100 Million)
1	**The Company**	**17.5**
2	Company O	10.1
3	Company P	7.9
4	Company Q	3.6
5	Company R	1.5
	Top 5	**40.6**

Source: Frost & Sullivan

Note:

Company O has its headquarter in the United States. Its products include performance additives, process solutions, pharmaceuticals and chemical intermediates.

Company P, headquartered in Japan, is a listing company. Its main products include phenolic resin, building materials, etc.

Company Q, headquartered in South Korea, is a listing company. Its products include electronic materials, rubber additives, and others.

Company R, headquartered in PRC, is a listing company. Centered on synthetic resins and functional materials, the company has been expanding into semiconductor and electronic materials.

From January to September 2025, the top 5 companies in the global phenolic resin rubber additives market for tyres collectively achieved sales revenue of approximately RMB4.1 billion. Based on sales revenue from January to September 2025, the company ranks as the world's largest company in phenolic resin rubber additives for tyres.

As of September 2025, the top 5 companies in phenolic resin rubber additives for China tyres market, ranked by sales revenue from January to September 2025

Ranking	Company Name	Sales Revenue (Unit: RMB100 Million)
1	**The Company**	**12.8**
2	Company O	~2.5
3	Company P	~1.5
4	Company R	~1.5
5	Company Q	~0.7
	Top 5	**~19.0**

Source: Frost & Sullivan

From January to September 2025, the top 5 companies in China's phenolic resin rubber additives market for tyres collectively achieved sales revenue of approximately RMB1.9 billion. Based on sales revenue from January to September 2025, the company is China's largest phenolic resin rubber additive company for tyres.

SOURCES OF INFORMATION

We have engaged Frost & Sullivan, an independent market research and consulting firm, to conduct an analysis of the new material industry and prepare a report thereon. The report prepared by Frost & Sullivan for us is referred to as the Frost & Sullivan Report in this document. We have paid a total of RMB700,000 to Frost & Sullivan for the preparation of the report, which we believe reflects the market rates for such reports.

Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies.

RESEARCH METHODOLOGY

The Frost & Sullivan Report has been prepared by gathering primary and secondary research data from various sources through intelligence collection methodologies. Primary research involves discussing the current industry landscape with a number of leading industry participants across the entire industry value chain and conducting interviews with relevant parties to obtain objective factual data and forward-looking forecasts. Secondary research involves the consolidation of data and publications obtained from public sources, including official data and announcements from government authorities, corporate reports, independent research reports and data from Frost & Sullivan's proprietary databases.

BENCHMARKS AND ASSUMPTIONS

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) the social, economic and political environments globally and in China are likely to remain stable during the forecast period; and (ii) the key industry drivers are likely to drive the growth of the new material industry during the forecast period. All statistical data is based on information available as at the date of the Frost & Sullivan Report.

OVERVIEW OF CHINESE LAWS AND REGULATIONS

Laws and Regulations on Work Safety, Environmental Protection, and Energy Conservation Review

Work Safety

In accordance with the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) (hereinafter referred to as the "Work Safety Law"), which was most recently revised by the Standing Committee of the National People's Congress on 10 June 2021 and took effect on 1 September 2021, all entities engaged in production and business operations within the territory of the People's Republic of China shall comply with the Work Safety Law and other relevant laws and regulations on work safety, and strengthen the management of work safety. Entities shall establish and improve work safety responsibility systems and procedures, improve work safety conditions, enhance work safety standardization, raise work safety level, and ensure work safety. Those who violate the Work Safety Law shall be subject to fines and penalties, suspension of production, or ordered to cease operations and rectify the situation, depending on the severity of the violation. If such act constitutes a crime, the violator shall be held criminally liable in accordance with the law.

In addition to general requirements for work safety, for new, renovated, or expanded construction projects, in accordance with the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) (hereinafter referred to as the "**Measures for Safety Facilities of Construction Projects**"), issued by the former State Administration of Work Safety on 14 December 2010, and revised on 2 April 2015, safety facilities in new, renovated, or expanded construction projects must be designed, constructed, and put into operation and use simultaneously with the main project. For construction projects specifically stipulated in the Measures for Safety Facilities of Construction Projects, a qualified safety assessment agency shall conduct a comprehensive study and preliminary evaluation of the construction project's work safety conditions. If an enterprise violates the relevant regulations, it may be ordered to rectify the situation within a specified time limit, cease construction, or suspend production and business operations for rectification, and may be subject to fines.

In addition, in accordance with the Measures for Safety Supervision and Management of Hazardous Chemicals Construction Project (《危險化學品建設項目安全監督管理辦法》), promulgated on 30 January 2012 and revised on 27 May 2015, any new, renovated, or expanded construction project for the production and storage of hazardous chemicals, as well as any chemical construction project involving the production of hazardous chemicals (including any construction project for long-distance pipeline of hazardous chemicals) within the territory of the People's Republic of China, shall select a qualified safety assessment agency to conduct safety assessment of the construction project during the feasibility study phase, and shall apply to the competent authority responsible for construction project safety permits for the review of safety conditions and the review of safety facility design of the construction project.

During the trial production period of a construction project, the project owner shall, in accordance with these regulations, entrust a qualified safety assessment agency to conduct safety assessment for acceptance of the construction project and its safety facilities. The same safety assessment agency that conducted the safety assessment during the feasibility study phase shall not be entrusted for this purpose.

Before the construction project is officially put into production and use, the responsible entity shall organize relevant personnel to conduct safety assessment for acceptance of safety facilities of the construction project, to determine whether the safety facilities pass the completion acceptance.

If any new, renovated, or expanded construction project for the production and storage of hazardous chemicals violates the Measures for Safety Supervision and Management of Hazardous Chemicals Construction Project (《危險化學品建設項目安全監督管理辦法》), the competent administrative department shall have the right to order the suspension of construction and require rectification within a time limit. Failure to rectify within the time limit shall result in a fine. If such act constitutes a crime, the violator shall be held criminally liable in accordance with the law.

Environmental Protection

In accordance with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) (hereinafter referred to as the "Environmental Protection Law"), which was most recently revised by the Standing Committee of the National People's Congress on 24 April 2014 and took effect on 1 January 2015, entities that discharge or will discharge pollutants in the course of production or other activities shall take effective environmental protection measures to control and properly handle harmful substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated during such activities. The State shall adopt pollutant discharge permitting administration system in accordance with the law.

In accordance with the Law of People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), promulgated by the Standing Committee of the National People's Congress on 29 December 2018 and brought into force on the same day, the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), revised by the State Council on 16 July 2017 and brought into force on 1 October 2017, and the Interim Measures for the Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated by the former Ministry of Environmental Protection on 20 November 2017 and brought into force on the same day, the State shall implement an environmental impact assessment system for construction projects. Any construction entity shall, prior to commencement of a construction project, submit an environmental impact report or statement for approval, or file an environmental impact registration form as required by the competent environmental protection authority under the State Council. Furthermore, upon completion of any construction project requiring environmental impact assessment report or statement, the construction entity shall, in accordance with the standards and procedures prescribed by the competent environmental protection authority under the State Council, conduct acceptance inspection of the supporting environmental protection facilities and prepare acceptance report. Supporting environmental protection facilities of construction projects may only be put into operation or use after passing acceptance inspections.

In accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), most recently revised by the Standing Committee of the National People's Congress on 29 April 2020 and brought into force on 1 September 2020, the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污

染防治法》), most recently revised by the Standing Committee of the National People's Congress on 27 June 2017 and brought into force on 1 January 2018, and the Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》), most recently revised by the Standing Committee of the National People's Congress on 26 October 2018 and brought into force on the same day, any entity or individual that generates, collects, stores, transports, utilizes or disposes of solid wastes shall take measures to prevent or reduce environmental pollution caused by solid wastes, and shall be liable for the environmental pollution caused in accordance with the law. If hazardous wastes are present in solid wastes, they shall be disposed of in accordance with the hazardous waste management regulations. Enterprises, public institutions, and other producers and operators that directly or indirectly discharge industrial waste water and medical sewage into water bodies, as well as those that need to obtain a pollutant discharge permit before discharging waste water and sewage, shall obtain pollutant discharge permits. Enterprises and public institutions that discharge industrial waste gas or toxic and harmful air pollutants listed in the catalog published in accordance with Article 78 of the Law of the People's Republic of China on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》) and other entities subject to pollutant discharge permit administration according to the law, shall obtain pollutant discharge permits.

In accordance with the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated on 24 January 2021, and the Measures for the Administration of Pollutant Discharge Permits (《排污許可管理辦法》) promulgated on 1 April 2024, the State shall implement the administration of permitting by classification (i.e., key administration and simplified administration) for enterprise discharge activities based on factors such as the amount of pollutants generated, the amount of pollutants discharged, and the degree of impact on the environment. Enterprises, public institutions, and other producers and operators included in the Classified Administration List of Pollutant Discharge Permitting for Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain pollutant discharge permits within the specified time limit. Those without a pollutant discharge permit shall not discharge pollutants.

Fire Safety

In accordance with the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》) most recently revised by the Standing Committee of the National People's Congress on 29 April 2021 and brought into force on the same day, the emergency management department under the State Council and the emergency management departments of local people's governments at or above the county level shall supervise and manage fire protection work. Fire protection design and construction shall comply with the national technical standards of fire protection for construction projects.

In accordance with the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), most recently revised by the Ministry of Housing and Urban-Rural Development of China on 21 August 2023 and brought into force on 30 October 2023, any special construction projects shall be subject to review and acceptance of fire protection design. For any construction projects other than special construction projects, their fire protection acceptance shall be filed with the competent authority.

Energy Conservation Review

In accordance with the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), most recently revised by the Standing Committee of the National People's Congress on 26 October 2018 and brought into force on the same day, the State shall implement an energy conservation assessment and review system for fixed asset investment projects. If any project fails to meet mandatory energy conservation standards, the project owner shall not commence the project construction; those projects already completed but below the energy conservation standards, shall not be put into production or use. For government-invested projects that do not meet mandatory energy conservation standards, the authorities responsible for project approval shall not approve their construction. Specific measures shall be formulated by the competent authority in charge of energy conservation under the State Council in conjunction with relevant departments of the State Council.

Laws and Regulations on Hazardous Chemicals and Precursor Chemicals

Production

In accordance with the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》), promulgated on 26 January 2002, and revised on 2 March 2011, and 7 December 2013, entities or individuals shall not engage in the production, storage, use, operation, transportation and other business activities of hazardous chemicals without approval. Entities engaged in the storage of hazardous chemicals shall set up conspicuous signs for hazardous chemical pipelines, regularly conduct inspection and test on such pipelines, and set up conspicuous safety warning signs at workplace and on safety facilities and equipment. In addition, enterprises shall, according to the types and hazardous properties of the hazardous chemicals stored by them, set up corresponding safety facilities and equipment, and conduct regular maintenance and upkeep of them in accordance with relevant national and industry standards. Entities storing highly toxic chemicals or other hazardous chemicals in large quantities, which constitute major hazardous installations, shall report the quantity of major hazard installations stored, storage places and the information on management personnel to the work safety administration and public security organ of the local people's government at the county level. Additionally, enterprises engaged in the production of hazardous chemicals listed in the Catalog of Hazardous Chemicals (《危險化學品目錄》) shall obtain hazardous chemical safety production licenses in accordance with the Regulations on Safety Production Licenses (《安全生產許可證條例》) before commencing production.

In accordance with the Measures for the Administration of Registration of Hazardous Chemicals (《危險化學品登記管理辦法》) promulgated by the former State Administration of Work Safety on 1 July 2012, and brought into force from 1 August 2012, enterprises engaged in the production and import of chemicals listed in the Catalog of Hazardous Chemicals (《危險化學品目錄》) shall complete registration with the work safety supervision and administration department before the completion acceptance of construction projects or before the first import of those chemicals. The hazardous chemical registration certificate is valid for three years, and enterprises may apply for renewal three months prior to the expiration of the certificate.

Operations

In accordance with the Administrative Measures for Business Permits for the Operation of Hazardous Chemicals (《危險化學品經營許可證管理辦法》), issued on 17 July 2012 and most recently revised on 27 May 2015, the State shall implement a licensing system for the business operation (including storage) of hazardous chemicals listed in the Catalog of Hazardous chemicals (《危險化學品目錄》) within its territory. Any enterprise engaged in the business operation of hazardous chemicals shall obtain a permit for the business operation of hazardous chemicals in accordance with these measures. However, for any hazardous chemical production enterprise that has legally obtained a work safety license for hazardous chemicals, if it sells hazardous chemicals produced by itself within its factory area, a business permit for the operation of hazardous chemicals is not required. Enterprises engaged in the operation of hazardous chemicals without a business permit shall be punished in accordance with the provisions of the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) concerning the unauthorized production, operation and storage of hazardous substances; if such act constitutes a criminal offense, the responsible person shall be held liable in accordance with the law.

In accordance with the Regulations for the Administration of Precursor Chemicals (《易製毒化學品管理條例》), promulgated by the State Council on 26 August 2005, and revised and brought into force on 29 July 2014, 6 February 2016, and 18 September 2018, precursor chemicals are classified into three categories. Category I refers to the main raw materials that can be used for drug manufacture. Categories II and III refer to chemical reagents that can be used for drug manufacture. Any application for purchasing the precursor chemicals under the item of pharmaceuticals in Category I shall be subject to the examination and approval of the drug regulatory authority of the people's government of the province, autonomous region or municipality directly under the Central Government where the applicant is located, and a purchase license shall be obtained. Any application for purchasing the precursor chemicals under any item other than pharmaceuticals in Category I shall be subject to the examination and approval of public security organ of the people's government of the province, autonomous region or municipality directly under the Central Government where the applicant is located, and a purchase license shall be obtained. For the purchase of Category II and Category III precursor chemicals, the applicant shall, prior to the purchase, register the type and quantity of chemicals to be purchased with the public security organ of the county-level government where the applicant is located.

Whoever, in violation of these regulations, purchases precursor chemicals without a license or registration, shall have the illegally purchased precursor chemicals confiscated by the public security organ and be imposed a fine; if there are illegal gains, such gains shall be confiscated; if the violator holds a business license, the local administration for market supervision shall revoke its business license; if such act constitutes a crime, the violator shall be held criminally liable in accordance with the law. In addition, the competent administrative authority may, within three years from the date of making the administrative penalty decision, suspend the acceptance of applications for production, operation, purchase, transportation, import and export permits of precursor chemicals filed by the entity or individual that has committed the aforesaid illegal acts.

Usage

In accordance with the Measures for the Implementation of the Hazardous Chemicals Safety Usage Permit (《危險化學品安全使用許可證實施辦法》), promulgated on 16 November 2012, and revised on 27 May 2015 and 6 March 2017, chemical enterprises

(excluding hazardous chemical manufacturers) that are included in the Catalogue of Industries Applicable to Safe Use of Hazardous Chemicals and use hazardous chemicals in production in quantities reaching the quantitative standards for the consumption of hazardous chemicals, shall obtain Hazardous Chemicals Safety Usage Permit (hereinafter referred to as "**Safety Usage Permit**") in accordance with the provisions of these measures.

If an enterprise uses hazardous chemicals for production without obtaining a Safety Usage Permit, and the quantity of hazardous chemicals used reaches the quantitative standards for the consumption of hazardous chemicals, the competent administrative department shall have the right to order the immediate cessation of the illegal act and rectification within a time limit, and impose a fine. If the enterprise fails to rectify the situation within the time limit, the competent administrative department shall have the right to order the suspension of production for rectification.

Laws and Regulations on Product Quality

In accordance with the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), most recently revised by the Standing Committee of the National People's Congress on 29 December 2018 and brought into force on the same day, the State Administration for Market Regulation is responsible for supervising product quality nationwide. Producers are prohibited from producing and selling products that do not meet the standards and requirements for protecting human health and personal and property safety. Products shall not pose unreasonable risks to personal and property safety. If a product defect causes personal injury or damage to the property of others, the injured party may claim compensation from the producer or seller of the product. Producers and sellers of substandard products may be ordered to suspend production and sales, and may have their products confiscated and/or be imposed a fine; if there are illegal gains, such gains shall also be confiscated; in serious cases, their business licenses may be revoked.

Laws and Regulations on Import and Export of Goods

In accordance with the Customs Law of the People's Republic of China (《中華人民共和國海關法》), most recently revised by the Standing Committee of the National People's Congress on 29 April 2021 and brought into force on the same day, the Customs of the People's Republic of China shall be the State organ responsible for supervising the entry and exit of goods across the national border. The Customs shall have the right to exercise supervision and control over the means of transport, goods, travelers' luggage, postal items and other articles entering or leaving the territory, collect customs duties and other taxes and fees, uncover and suppress smuggling, work out customs statistics and handle other customs operations. A customs declaration entity is the consignee or consignor of imported or exported goods or a customs declaration enterprise filed with the customs. Consignees and consignors of import and export goods may handle customs declaration procedures themselves or entrust an agent to handle the procedures.

In accordance with the Law of the People's Republic of China on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》), most recently revised by the Standing Committee of the National People's Congress on 29 April 2021 and brought into force on the same day, and the Regulations for the Implementation of the Law of the People's Republic of China on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》), most recently revised by the State Council on 29 March 2022 and brought into force on 1 May 2022, the General Administration of Customs of the People's Republic of China ("**GACC**") shall be in charge of the nationwide inspection of import and export commodities. Its subordinate entry-exit inspection and quarantine

authorities shall conduct inspections on import and export commodities listed in the catalog and other import and export commodities that are required to be inspected by entry-exit inspection and quarantine authorities according to laws and administrative regulations. For import and export commodities not subject to the aforementioned inspections, entry-exit inspection and quarantine authorities shall conduct random inspections according to national regulations. Imported goods that are subject to mandatory inspection but have not been inspected shall not be sold or used. Export goods that are subject to mandatory inspection but have not been inspected or have failed to pass inspection shall not be exported. Consignees and consignors of import and export goods may handle customs declaration procedures themselves or entrust a customs declaration agent to handle the procedures.

In accordance with the Provisions on the Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs on 19 November 2021 and brought into force from 1 January 2022, a customs declaration entity is the consignee or consignor of imported or exported goods or a customs declaration enterprise, as filed with the customs in accordance with these provisions. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall be filed as a foreign trade business.

In accordance with the Notice on Matters Concerning the Registration of Consignors and Consignees of Import and Export Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control under the General Administration of Customs on 3 January 2023 and brought into force on the same day, consignors and consignees of import and export goods applying for recordation shall obtain the qualification of market entities, but do not need to be filed as foreign trade business.

In accordance with the Tariff Law of the People's Republic of China (《中華人民共和國關税法》) promulgated by the Standing Committee of the National People's Congress on 26 April 2024, and effective from 1 December 2024, the goods permitted to be imported into or exported out of and all articles allowed to enter the People's Republic of China shall be subject to tariffs in accordance with the law and other relevant laws and administrative regulations. The consignees of imported goods, the consignors of exported goods, and the carriers or recipients of entry articles are tariff payers. The tariff items and tariff rates of import and export goods and the rules applicable to tariff items and tariff rates, among others, shall be governed by the Customs Import and Export Tariffs of the People's Republic of China.

On 17 October 2020, the Standing Committee of the National People's Congress promulgated the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) (hereinafter referred to as the "**Export Control Law**"), which came into effect on 1 December 2020. The Export Control Law has established a comprehensive legal framework for the State's control over the export of dual-use items, military products, nuclear, and other items such as goods, technologies, and services related to maintaining the national security and interest and performing nonproliferation and other international obligations. The Export Control Law stipulates (among other provisions) that the export control administrative departments of the State shall, in accordance with the provisions of this law and relevant laws and administrative regulations, as well as export control policies, formulate and adjust the export control lists for controlled items in conjunction with the

relevant departments under the prescribed procedures, and publish the lists in a timely manner. As needed for maintaining the national security and interest and performing nonproliferation and other international obligations, with the approval of the State Council or both the State Council and the Central Military Commission, the export control administrative departments of the State may exercise temporary control over the export of goods, technologies, and services outside of the control lists, and make an announcement.

On 1 December 2024, the Regulations of the People's Republic of China on the Export Control of Dual-Use Items (《中華人民共和國兩用物項出口管制條例》) (hereinafter referred to as the "**Regulations on Export Control of Dual-Use Items**") promulgated by the State Council came into effect. The Export Control List of Dual-Use Items of the People's Republic of China (《中華人民共和國兩用物項出口管制清單》) (hereinafter referred to as the "**Dual-Use Items List**") (Announcement No. 51 [2024] of the Ministry of Commerce) jointly promulgated by the Ministry of Commerce, the Ministry of Industry and Information Technology, the General Administration of Customs, and the State Cryptography Administration came into effect on the same day. Under the Regulations on Export Control of Dual-Use Items, the competent commerce department of the State Council shall, in accordance with the provisions of the Export Control Law and the Regulations on Export Control of Dual-Use Items and the export control policy for dual-use items, formulate and adjust the export control list for dual-use items in conjunction with relevant national authorities according to prescribed procedures, and publish the list in a timely manner. As needed for maintaining the national security and interest and performing nonproliferation and other international obligations, with the approval of the State Council or both the State Council and the Central Military Commission, the competent commerce department of the State Council may exercise temporary control over the export of goods, technologies, and services outside of the dual-use items list, and make an announcement. To export any dual-use items specified in the export control list or dual-use items subject to the aforesaid temporary control, any export business shall apply to the competent commerce department of the State Council for licensing. The purpose of formulating the aforementioned Dual-Use Items List, as published in the Announcement No. 51 [2024] of the Ministry of Commerce, is to systematically integrate the dual-use items already subject to control, establish a complete list system and rules, and does not involve any adjustment to the specific content of the scope of control.

Laws and Regulations on Overseas Investments of Domestic Enterprises

Regulations of the National Development and Reform Commission on Overseas Investments of Domestic Enterprises

In accordance with the Measures for the Administration of Overseas Investments of Enterprises (《企業境外投資管理辦法》) promulgated on 26 December 2017, the State shall implement classified management of approval and recordation for investment projects where domestic enterprises ("**investing entities**"), directly or through overseas enterprises under their control, acquire overseas ownership, right of control, right of business management, or other relevant rights and interests overseas, by contributing assets or rights and interests, providing financing or security, or any other means (including investment projects in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan region). Sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to approval management. The approval authority is the NDRC. Non-sensitive projects directly conducted by investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or security, shall

be subject to recordation management. Among the projects subject to recordation management, if the investor is an enterprise managed by the Central Government (including financial enterprises managed by the Central Government and enterprises directly managed by the State Council or the agencies of the State Council), the recordation authority is the NDRC; if the investor is a local enterprise, and the amount of Chinese investment is not less than USD300 million, the recordation authority is the NDRC; if the investor is a local enterprise, and the amount of Chinese investment is less than USD300 million, the recordation authority is the development and reform department of the provincial government at the place of registration of the investor.

For projects within the scope of approval or recordation management, an investing entity shall obtain the project approval document or recordation notification before it or its controlled overseas enterprise contributes assets, equity (excluding pre-project expenses for approval and recordation procedures), or provides financing or security for the project. Without a valid approval document or recordation notification, competent authorities such as foreign exchange administration and customs shall not process relevant procedures, and financial institutions shall not handle relevant fund settlement and financing business in accordance with the law.

An investing entity shall submit a project completion report through the online system within 20 working days from the date of occurrence of any of the following circumstances: completion of the construction project to which the investment project belongs, delivery of investment target equity or assets, or full disbursement of the Chinese investment amount.

In cases where an investment entity violates the Measures for the Administration of Overseas Investments of Enterprises (《企業境外投資管理辦法》), the approval and recordation authorities shall have the right to take measures such as refusing approval or recordation, revoking approval document or recordation notification, ordering the investment entity to suspend or cease the implementation of the project, requiring the adoption of remedial measures, ordering rectification within a time limit, and issuing warnings to the investment entity and its main persons in charge. If such act constitutes a crime, the violator shall be held criminally liable in accordance with the law.

Regulations of the Ministry of Commerce on Overseas Investment of Domestic Enterprises

In accordance with the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated on 6 September 2014, overseas investment activities where enterprises legally formed in China own non-financial enterprises overseas or obtain the ownership, right of control, or right of business management of or any other interest in existing non-financial enterprises outside of China by formation, acquisition, merger or other means, shall be subject to approval and recordation management by the Ministry of Commerce and provincial-level commerce departments, depending on the specific circumstances of overseas investment. Overseas investments involving countries with which China does not have diplomatic relations, countries subject to UN sanctions, industries involving products and technologies under export restriction by China, and industries affecting the interests of more than one country/region shall be subject to approval management. All other overseas investments by enterprises shall be subject to recordation management.

For overseas investment projects subject to approval management, enterprises shall submit application to the competent commerce department. The competent commerce department shall solicit opinions from the economic and commercial office of the relevant

Chinese embassy or consulate abroad. For approved overseas investments projects, the Ministry of Commerce will issue a written approval decision and grant an "Overseas Investment Certificate for Enterprises".

For overseas investment projects subject to recordation management, enterprises shall fill out the "Overseas Investment Recordation Form", and submit it along with a copy of their business license to the competent commerce department for recordation, and obtain an "Overseas Investment Certificate for Enterprises" issued by the competent commerce department.

For violations of the Measures for the Administration of Overseas Investment (《境外投資管理辦法》), the competent commerce department shall have the right to revoke the enterprise's overseas investment recordation, issue a warning, publicly announce the penalty decision according to the law, prohibit the enterprise from applying for such approval again within one or three years, and prohibit the enterprise from enjoying relevant national incentive or support policies within three years. If such act constitutes a crime, the violator shall be held criminally liable in accordance with the law.

Laws and Regulations on Foreign Exchange

In accordance with the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (hereinafter referred to as the "**Foreign Exchange Administration Regulations**") promulgated by the State Council on 29 January 1996 and brought into force on 1 April 1996, all international payments and transfers are classified into current account items and capital account items. Most current account items are not subject to approval by the foreign exchange administrative authorities, but capital account items are subject to approval. The Foreign Exchange Administration Regulations were subsequently revised on 14 January 1997 and 1 August 2008, and entered into force on 5 August 2008. The latest revised Foreign Exchange Administration Regulations stipulates that international payments in foreign exchange and the transfer of foreign exchange under the current account shall not be subject to any state control or restriction.

The State Administration of Foreign Exchange (SAFE) issued the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) on 26 December 2014. According to this notice, a domestic company shall, within 15 working days upon the end of its overseas listing and issuance, handle registration formalities for overseas listing with the local branch of SAFE at its place of registration. Funds raised by a domestic company through overseas listing may be transferred back to the corresponding special-purpose domestic account or be deposited in a special-purpose overseas account, and the use of such funds shall be consistent with those mentioned in publicly disclosed documents such as the document.

In accordance with the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Administration Policies for Settlement of Foreign Exchange under Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the State Administration of Foreign Exchange on 9 June 2016, the relevant policies clearly stipulate that the foreign exchange income under capital account eligible for voluntary settlement (including repatriated funds raised from overseas listings) may be settled through banks based on the domestic enterprises' actual needs for business

operation. The ratio of voluntary settlement of foreign exchange income under capital account of domestic enterprises is tentatively set at 100%, and the SAFE may adjust the aforesaid ratio in a timely manner according to the balance-of-payments status.

Laws and Regulations on Intellectual Property Rights

Patents

In accordance with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), most recently amended by the Standing Committee of the National People's Congress on 17 October 2020 and brought into force on 1 June 2021, and the Rules for the Implementation of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), most recently amended by the State Council on 11 December 2023 and brought into force on 20 January 2024, patents are classified into three categories: invention patents, utility model patents, and design patents. The term of an invention patent right shall be 20 years, that of an utility model patent right shall be 10 years, and that of the design patent right shall be 15 years, all commencing from the date of application.

Copyright

In accordance with the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), most recently amended by the Standing Committee of the National People's Congress on 11 November 2020 and brought into force on 1 June 2021, works of Chinese citizens, legal entities or entities without legal personality, which are original intellectual achievements in the fields of literature, art and science that can be expressed in a certain form, whether published or not, shall enjoy copyright in accordance with the law. Copyright shall include personality rights and property rights, such as the right of publication, the right of authorship, the right of alteration, the right of integrity, and the right of reproduction.

In accordance with the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) issued by the National Copyright Administration on 20 February 2002, and the Regulations for the Protection of Computer Software (《計算機軟件保護條例》) revised by the State Council on 30 January 2013 and brought into force on 1 March 2013, the National Copyright Administration shall be in charge of the administration of the registration of software copyright of the whole country, and it accredits the China Copyright Protection Center as the body for software registration. The Center shall issue registration certificates to applicants for computer software copyright in accordance with the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulations for the Protection of Computer Software (《計算機軟件保護條例》).

Trademarks

In accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), most recently revised by the Standing Committee of the National People's Congress on 23 April 2019 and brought into force on 1 November 2019, and the Regulation for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), most recently revised by the State Council on 29 April 2014 and brought into force on 1 May 2014, registered trademarks are trademarks approved to be registered by the Trademark Office of the China National Intellectual Property Administration, including goods trademarks, service trademarks, collective trademarks, and certification trademarks. The period of validity of a registered trademark shall be 10

years, counted from the day the registration is approved. If a registrant needs to continue to use the registered trademark after the period of validity expires, the renewal formalities shall be completed within 12 months prior to the expiration date. The period of validity for each renewal of registration shall be ten years, counted from the day following the expiration date of the previous period of validity.

Domain Names

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名稱管理辦法》), promulgated by the Ministry of Industry and Information Technology on 24 August 2017 and brought into force from 1 November 2017, domain name registration shall be handled through domain name registrar established in accordance with relevant provisions. An applicant becomes the domain name holder upon successful registration.

Laws and Regulations on Taxation

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), promulgated by the Standing Committee of the National People's Congress and most recently revised on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council and most recently revised on 6 December 2024 (collectively referred to as the "**Enterprise Income Tax Law**"), the enterprise income tax rate shall be 25% for both foreign-invested enterprises and domestic enterprises, with tax incentives granted to special industries and projects. The enterprise income tax on small low-profit enterprises that meet the prescribed conditions shall be levied at a reduced tax rate of 20%. The enterprise income tax on important high- and new-tech enterprises that are necessary to be supported by the State shall be levied at a reduced tax rate of 15%.

Value-Added Tax

In accordance with the Interim Regulations of the People's Republic of China on Value-Added Tax (《中華人民共和國增值税暫行條例》) promulgated by the State Council and most recently revised on 19 November 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the People's Republic of China on Value-Added Taxes (《中華人民共和國增值税暫行條例實施細則》) promulgated by the Ministry of Finance, most recently revised on 28 October 2011 and effective from 1 November 2011, entities and individuals that sell goods, provide labor services of processing, repair or maintenance, or import goods within the territory of the People's Republic of China are taxpayers of value-added tax.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-Added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), which came into effect on 1 May 2018, the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 16% and 10%, respectively.

In accordance with the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、税務總局、海關總署關於深化增值税改

革有關政策的公告》), issued on 20 March 2019 and effective from 1 April 2019, the tax rates of 16% and 10% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 13% and 9%, respectively.

In accordance with the Notice by the Ministry of Finance and the State Taxation Administration of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值税加計抵減政策的公告》) (Announcement No. 43 [2023] of the Ministry of Finance and the State Taxation Administration), promulgated on 3 September 2023 and effective from 1 January 2023, from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable.

Laws and Regulations on Employment and Social Welfare

Employment

The Labor Law of the People's Republic of China (《中華人民共和國勞動法》) was promulgated by the Standing Committee of the National People's Congress on 5 July 1994, and most recently revised on 29 December 2018. In accordance with the law, any employer shall establish a sound system of employment rules so as to ensure that its employees enjoy the labor rights and perform the employment obligations. Any employer shall formulate comprehensive work safety and health policies. Any employer shall strictly implement national work safety and health regulations and standards, provide work safety and health education to employees, prevent work-related accidents, and reduce occupational hazards.

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) (promulgated by the Standing Committee of the National People's Congress on 29 June 2007, and most recently revised on 1 July 2013) and the Regulation on the Implementation of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) (promulgated by the State Council on 18 September 2008 and brought into force on the same day) clarify the rights and obligations of both parties of labor contracts, including the conclusion, performance, modification, rescission and termination of labor contracts. Employers shall enter into written labor contracts with employees and pay employees in a timely manner and in full according to the terms of the labor contract and national regulations. Employers may rescind labor contracts with employees under specific circumstances and shall pay economic compensation to employees in accordance with the law.

Social Insurance

The Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) (hereinafter referred to as the "Social Insurance Law"), promulgated by the Standing Committee of the National People's Congress in 2010 and most recently amended on 29 December 2018, has established social insurance systems including basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. It also details the legal obligations and responsibilities of employers for failing to comply with relevant social insurance laws and regulations. In accordance with the Social Insurance Law and the Interim Regulation on the Collection and Payment of Social Insurance Premiums, promulgated by the State Council on 22 January 1999, and most recently revised and brought into force on 24 March 2019, enterprises shall register with the local social insurance agencies and withhold and pay the relevant social insurance premiums on behalf of their employees. Employers who fail to pay social

insurance premiums may be ordered to pay or make up the arrears within a specified time limit, and a late payment penalty may be imposed; if they still fail to pay after the deadline, they may be fined an amount equal to one to three times the amount in arrears.

On 31 July 2025, the Supreme People's Court of China promulgated the Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) ("**New Judicial Interpretation**"), which came into effect on 1 September 2025. In accordance with Article 19(1) of this interpretation, any agreement or commitment between an employer and an employee to exempt the employer from paying social insurance premiums shall be deemed invalid by the people's courts. In addition, if an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to rescind the labor contract and claims economic compensation from the employer in accordance with Article 38(3) of the Labor Contract Law, the people's court shall support such claims. It is clearly stipulated that if an employer fails to pay social insurance premiums in accordance with the law, the employee shall have the right to rescind the labor contract and obtain corresponding economic compensation in accordance with the Labor Contract Law.

Housing Accumulation Funds

In accordance with the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), promulgated by the State Council on 3 April 1999, and revised on 24 March 2002 and 24 March 2019, enterprises shall register with the designated housing accumulation fund management center and open a bank account for depositing employees' housing accumulation funds. Employers and employees shall also deposit the housing accumulation funds in a timely manner and in full, with the deposit amount being no less than 5% of the employee's average monthly salary in the previous year. If an employer fails to make the deposit in full or delays the deposit, the housing accumulation fund management center shall order the employer to make the deposit within a specified time limit. If the employer still fails to make the deposit after the deadline, the management center may apply to the people's court for compulsory enforcement.

If an employer fails to complete the registration and open housing accumulation fund accounts for its employees, the housing accumulation fund management center shall order the employer to make the deposit within a specified time limit. If the employer still fails to make the deposit after the deadline, a fine of not less than RMB10,000 and not more than RMB50,000 shall be imposed.

Occupational Disease Prevention and Control

In accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), promulgated on 27 October 2001, and revised on 31 December 2011, 2 July 2016, 4 November 2017, and 29 December 2018, employers shall provide a working environment and conditions that meet national occupational health standards and requirements, take measures to ensure that employees receive occupational health protection, establish and improve the responsibility system for occupational disease prevention and control, strengthen the management of occupational disease prevention and control, improve the level of occupational disease prevention and control, and bear liability for the hazards caused by occupational diseases. In addition, if occupational disease hazards listed in the occupational disease catalogue are present in the workplace, production units shall truthfully declare the hazard items in a timely manner to the local health administrative department and accept its supervision.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

We are a leading comprehensive new materials service provider in the PRC focusing on advanced chemical products. We are primarily engaged in the R&D, production, marketing, sales and distribution of new chemical materials. With respect to electronic materials, we ranked first, in terms of sale revenue, among PRC suppliers in both the PRC semiconductor photoresist market and the PRC TFT array photoresist market in 9M2025. On the other hand, with respect to our rubber additives for tyres and other chemical products segment, according to the F&S Report, we ranked first in sales revenue in both the global and PRC phenolic resins rubber additives for tyres markets in 9M2025. In addition, based on the statistics issued by Rubber Chemicals Additives Committee of the China Rubber Industry Association (中國橡膠工業協會橡膠助劑專業委員會), we ranked first among all producers for phenolic resin for rubber in the PRC in 2024. Headquartered in Shanghai, our customer network stretches across different regions of the PRC and overseas. Please refer to the section headed "Business" in this document for further details of our business operation.

Our history traces back to the establishment of RA Shanghai Chemical in August 1999. Ms. Zhang, chairperson of our Board, an executive Director and a Controlling Shareholder, founded RA Shanghai Chemical, through which our business first operated. Please refer to the section headed "Directors and Senior Management — Board of Directors" in this document for further details on Ms. Zhang.

On 4 June 2008, the predecessor of our Company, Red Avenue Group, was established as a limited liability company in the PRC. In preparation for the listing on the Shanghai Stock Exchange, our Company was established on 18 September 2016 through the conversion of Red Avenue Group from a limited liability company into a joint stock limited company. On 27 June 2018, our Company was listed on the Shanghai Stock Exchange.

Since 1999, our Group has evolved through several key phases of business expansion. In our initial phase starting in 1999, we focused on the trading and sales of tyre rubber additives as international trader and agent. Between 2006 and 2011, we expanded upstream by establishing our own production bases and material testing and performance research development centers, evolving into a Group principally engaged in the research and development, production, sales marketing and distribution of specialty rubber additive. Since 2020, we have expanded our portfolio into (i) electronic chemicals through strategic investment and acquisition, and the commissioning of our display photoresist, semiconductor photoresist, high-purity solvents production lines; and (ii) fully biodegradable materials through establishment of our own PBAT production plant. In 2024, we invested in establishing our own production base for the research and development, production, and sales of semiconductor wafer polishing pads, with the aim to further widening our business portfolio into this segment.

MILESTONES

The following table outlines the key business and corporate milestones of our Group since its establishment:

Year	Business development
1999	We commenced our operations in the PRC, engaging in the trading and sales of tyre rubber additives products for globally renowned chemical enterprises

Year	Business development
2006	• We invested in the construction of our production base in Zhangjiagang, Jiangsu Province, for the manufacture of specialty rubber additives • We established our material testing and performance research and development centre in Beijing, principally focusing on component analysis, performance testing, and application validation for tyres and rubber products
2010	We established our functional new materials research and development centre in Shanghai, principally focusing on functional new materials and green eco-friendly rubber materials, along with application testing
2011	We invested in the construction of our production base in Shanghai for the manufacture of specialty rubber additives
2016	Our Company was established through conversion of its predecessor, Red Avenue Group, from a limited liability company into a joint stock limited company in September
2018	Our Company was listed on the Shanghai Stock Exchange (stock code: 603650) in June
2019	We strategically invested in Zhongce Rubber to build a collaborative innovation ecosystem, aiming to become an innovation hub, foundational technology support platform, and solution provider for tyre industry of the PRC
2020	*Electronic chemicals business* • We established RA Electronic to develop our electronic chemicals business • We strategically invested in Kempur to develop our manufacture capabilities in semiconductor photoresist • We strategically invested in BAE to develop our manufacture capabilities in display panel photoresist *Fully biodegradable materials business* • Our Group has been authorized by a leading global chemical company headquartered in Germany to produce and sell certified PBAT in accordance with its high-quality standards

Year	Business development
	• We invested in the construction of a 60,000-tonne PBAT plant in Shanghai. This plant will utilize the process technology licensed by a leading global chemical company headquartered in Germany
2021	• We acquired 100% equity interest of RA Zhenjiang, which is principally engaged in the manufacture of phenolic resin. This acquisition extends the Group's resin product applications into areas such as can and container coatings, composite materials (複合材料), and electronic materials (電子材料), while also accelerating its market development in copper-clad laminates and epoxy molding compounds for semiconductor packaging (銅板和半導體封環氧塑封料)
	• We completed the formulation development and certification for upstream photoresist resin products, including, LCD photoresists
2023	Our electronic chemicals business was further strengthened following the commissioning of our semiconductor photoresist and high-purity solvents production line in Shanghai
2024	We invested in the construction of our production base in Changzhou, Jiangsu Province, for the research and development, production, and sales of semiconductor wafer polishing pads
2025	• We established RA Thailand for the construction of our production base in Thailand for the manufacture of rubber additives
	• We established RA Germany

MAJOR SUBSIDIARIES

As at the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

	Name of subsidiary	Place of establishment	Date of establishment	Date of commencement of business	Registered capital	Equity interest attributable to our Company	Principal activities
1.	Sino Legend	The PRC	11 August 2006	January 2008	RMB460,564,600	100%	Sales and manufacture of chemical products
2.	RA Chemical	The PRC	1 June 2011	December 2012	RMB806,314,822	100%	Sales and manufacture of chemical products
3.	RA Electronic	The PRC	11 June 2020	April 2023	RMB1,000,000,000	100%	Sales, manufacture, and research and development of, electronic materials
4.	BAE	The PRC	16 November 1993	May 2022 *(Note)*	RMB65,298,876	100%	Sales, manufacture and research and development of, electronic materials

Note: As BAE commenced operations prior to it was acquired by, and became a member of, our Group, this date refers to the date upon which it became a member of our Group.

As at the Latest Practicable Date, our Company had 17 subsidiaries. Please refer to the section headed "Appendix VI — Statutory and General Information — 1. Further Information about Our Group — C. Changes in the Share Capital of Our Subsidiaries" to this Document for more details on recent share capital changes of members of our subsidiaries.

MAJOR SHAREHOLDING CHANGES CONCERNING OUR COMPANY

1. Establishment of our Company and early shareholding changes of our Company before conversion into joint stock limited company

On 4 June 2008, the predecessor of our Company, Red Avenue Group, was established as a limited liability company in the PRC. At the time of establishment, Red Avenue Group's registered capital amounted to RMB50 million, which had been fully paid up and was owned as to 97.0% by Ms. Zhang (chairperson of our Board and an executive Director), 2.0% by Mr. Song Xiuxin (宋修信), a former employee of our Group and one of the limited partners of Zhoushan Yutong, and 1.0% by Mr. Liu Zhijing (劉志京), a director of certain members of our Group.

After the equity interest transfers and register capital increases completed in August 2014 and December 2015, the shareholding structure of Red Avenue Group was as follows:

Name of Shareholder	Registered share capital *(RMB million)*	Approximate percentage of equity interest held *(%)*
Red Avenue Investment	294.57	58.9
Virgin Holdings	100.00	20.0
Zhoushan Yutong *(Note 1)*	60.00	12.0
Best Linker Investment Limited (卓匯投資有限公司) ("**Best Linker**") *(Note 2)*	25.00	5.0
Mr. Song Xiuxin *(Note 2)*	10.00	2.0
Zhoushan Xiangzhuo Investment Management Partnership (Limited Partnership) (舟山市翔卓投資管理合夥企業(有限合夥)("**Xiangzhuo Investment**") *(Note 3)*	3.41	0.7
Begonia Group Limited (秋棠集團有限公司) ("**Begonia Group**") *(Note 4)*	3.15	0.6
Zhoushan Shunyuan Investment Management Partnership (Limited Partnership) (舟山市順元投資管理合夥企業(有限合夥)) ("**Shunyuan Investment**") *(Note 3)*	2.87	0.6
Mr. Zhou Bo (周波) *(Note 2)*	1.00	0.2
Total	**500.00**	**100.00**

Notes:

1. Zhoushan Yutong is a limited partnership established under the laws of the PRC in November 2015. The then general partner was Mr. Zhou Jianhui (a former Director from 18 September 2016 to 15 October 2025). It is an employee shareholding platform then held by six limited partners (including Mr. Zhou Jianhui) who were former or existing employees of our Group.

2. Mr. Song Xiuxin and Mr. Zhou Bo are former employees of our Group. Best Linker is ultimately owned by an Independent Third Party.

3. Xiangzhuo Investment is a limited partnership established under the laws of the PRC in December 2015. The then general partner was Mr. Tang Jie (湯捷) (an executive Director and senior management of our Group). It was an employee shareholding platform then held by 33 limited partners (including Mr. Tang Jie) who were former or existing employees of our Group.

   Shunyuan Investment is a limited partnership established under the laws of the PRC in December 2015. The then general partner was Ms. Gu Yunling (顧雲岑) (an employee of our Group). It was an employee shareholding platform then held by 32 limited partners (including Ms. Gu Yunling) who were former or existing employees of our Group.

4. Begonia Group is a limited company incorporated in Hong Kong in July 2015. It was then owned as to 79.37% by Mr. Shi Jingui (施金貴), a former employee of our Group, and 7.94% by Mr. Xie Corey Xiaojuan, an existing employee of our Group. The remaining shareholding was held by two Independent Third Parties.

2. Conversion into a joint stock limited company

In preparation for the listing on the Shanghai Stock Exchange, in September 2016, our Company was established through conversion of the predecessor of our Company, Red Avenue Group, from a limited liability company into a joint stock limited company. Upon completion of the conversion, our Company had a total share capital of RMB500,000,000 divided into 500,000,000 Shares.

3. Increase in registered capital in October 2016 and November 2016

In October 2016, the registered capital of our Company increased from RMB500,000,000 to RMB507,187,500 by way of additional cash contribution of RMB7,187,500. Zhoushan Saifan Investment Management Partnership (Limited Partnership) (舟山市賽凡投資管理合夥企業(有限合夥)) ("**Saifan Investment**"), an Independent Third Party, solely subscribed for such increase in the registered capital for cash consideration of RMB23 million. The consideration was determined between the parties on arm's length basis with reference to the then-operation status of our Company and the development prospects and future plans of our Group. This capital increase was completed on 10 November 2016.

In November 2016, the registered capital of our Company increased from RMB507,187,500 to RMB527,187,500, by way of additional cash contribution of RMB20 million. Mr. Zeng Ming (曾鳴), an Independent Third Party, solely subscribed for such increase in the registered capital for cash consideration of RMB80 million. The consideration was determined between the parties on arm's length basis with reference to the then-operation status of our Company and the development prospects and future plans of our Group. This capital increase was completed on 10 November 2016.

After these registered capital increases, the shareholding structure of our Company was as follows:

Name of Shareholder	**Number of Shares held**	**Approximate percentage of shareholding** *(%)*
Red Avenue Investment	294,570,000	55.9%
Virgin Holdings	100,000,000	19.0%
Zhoushan Yutong	60,000,000	11.4%
Best Linker	25,000,000	4.7%
Mr. Zeng Ming	20,000,000	3.8%
Mr. Song Xiuxin	10,000,000	1.9%
Saifan Investment	7,187,500	1.4%
Xiangzhuo Investment	3,410,000	0.6%
Begonia Group	3,150,000	0.6%
Shunyuan Investment	2,870,000	0.5%
Mr. Zhou Bo	1,000,000	0.2%
Total	**527,187,500**	**100.00%**

4. Listing of our Shares on the Shanghai Stock Exchange

To improve the brand awareness of our Company and expand our financial resources for the Group's development, our then Shareholders resolved to apply for the listing of our Shares on the Shanghai Stock Exchange in 2018. On 27 June 2018, all issued Shares of our Company were listed on the Shanghai Stock Exchange under the stock code of 603650.

5. Issuance and redemption of convertible bonds

On 26 January 2021, with the approval of the CSRC, our Company issued convertible bonds (the "**Convertible Bonds**") in the principal amount of RMB800,180,000 with a maturity date of 25 January 2027. The Convertible Bonds bore increasing interests ranged from 0.3% per annum in the first year to 2.0% per annum in the sixth year. Bondholders had the right to convert their Convertible Bonds into A Shares during the period from 2 August 2021 to 25 January 2027 at the initial conversion price of RMB32.96 per A Share.

In October 2025, our Board resolved to exercise our redemption rights under the Convertible Bonds and redeemed all Convertible Bonds outstanding as at 13 November 2025. This redemption was completed on 14 November 2025 and, immediately upon such redemption, no Convertible Bonds remained outstanding.

Between 2 August 2021 to 13 November 2025, our Company issued an aggregate of 25,275,474 A Shares to the holders of the Convertible Bonds upon the exercise of their conversion rights. As at the Latest Practicable Date, we had not yet completed the necessary regulatory filings in respect of the issue of 17,185,851 A Shares. We expect to complete such regulatory filings by May 2026.

6. Issuance, repurchase and cancellation of Shares pursuant to restricted share award schemes

Pursuant to the restricted share award schemes as described below and relevant administration measures, our Company had issued certain restricted A Shares to eligible participants. For details of the existing restricted share award scheme adopted by our Company, please refer to the section headed "Appendix VI — Statutory and General Information — 5. Our 2023 RSA Scheme" in this document.

Our Company adopted a restricted share award scheme in September 2021 ("**2021 RSA Scheme**"). On 2 December 2021, our Company allotted and issued an aggregate of 3,094,597 restricted A Shares to a total of 140 grantees at a grant price of RMB29.26 per A Share (the "**2021 RSA Allotment**"). The grant price for these restricted A Shares had been settled by all grantees. From the 2021 RSA Allotment up to 11 July 2024, as a result of certain grantees leaving the employment of our Group or otherwise failing to meet the requisite eligibility criteria subsequent to the grant, all these restricted A Shares had been repurchased and cancelled by our Company pursuant to the rules of the 2021 RSA Scheme.

Our Company adopted the 2023 RSA Scheme in September 2023. On 1 November 2023, our Company allotted and issued an aggregate of 4,768,000 restricted A Shares to a total of 162 grantees at a grant price of RMB14.88 per A Share (the "**2023 First RSA Allotment**"). The grant price for these restricted A Shares had been settled by all grantees. On 27 August 2024, our Company allotted and issued an aggregate of 237,000 restricted A Shares to a total of 10 grantees at a grant price of RMB14.90 per A Share (together with the 2023 First RSA Allotment, the "**2023 RSA Allotment**"). The grant price of the A Shares allotted and issued in August 2024 had been settled by all grantees. Up to the Latest Practicable Date, the selling restrictions in respect of an aggregate of 3,210,414 restricted A

Shares had been released and, as a result of certain grantees leaving the employment of our Group or otherwise failing to meet the requisite eligibility criteria subsequent to the grants, a total of 185,004 restricted A Shares had been repurchased and (except for 25,002 A Shares pending completion of the cancellation process) cancelled by our Company pursuant to the rules of the 2023 RSA Scheme. As at the Latest Practicable Date, there were a total of 1,609,582 restricted A Shares that remained to be subject to selling restrictions under the 2023 RSA Scheme. As at the Latest Practicable Date, we had not yet completed the necessary regulatory filings in respect of 33,334 A Shares which have been repurchased and cancelled. We expect to complete such regulatory filings by May 2026.

Save as disclosed above, as advised by our PRC Legal Adviser, all necessary regulatory approvals, registrations, or filings in relation to the changes in the registered capital and shareholding of our Company described above have been made and obtained, and the aforesaid changes have been properly and legally completed pursuant to the applicable PRC laws, regulations and rules in all material respects.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions as required to be disclosed under Rule 4.05A of the Listing Rules, or any major disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company has been listed on the Shanghai Stock Exchange since June 2018. During the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of the Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the Shanghai Stock Exchange.

Our PRC Legal Adviser is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable.

Based on the independent due diligence conducted by the Sole Sponsor and the PRC Legal Adviser's view above, nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' confirmation with regard to the compliance records of our Company on the Shanghai Stock Exchange.

Our Company seeks to be **[REDACTED]** on the Stock Exchange to further advance our global strategic layout, establish an international capital platform, and enhance our comprehensive competitiveness by broadening our customer base and further strengthening our international brand awareness. Please see the sections headed "Business — Our Strategies" and "Future Plans and Use of [REDACTED]" in this document.

LOCK-UP

Each of our Controlling Shareholders will be subject to the non-disposal restrictions under Rule 10.07 of the Listing Rules. Each of our Controlling Shareholders will, prior to the **[REDACTED]**, provide a non-disposal undertaking pursuant to Note 3 to Rule 10.07 of the Listing Rules and the **[REDACTED]**. Please refer to the section headed "**[REDACTED]**" in this document for further details.

[REDACTED] AND FREE FLOAT

Satisfaction of the [REDACTED] Requirement

Rule 19A.13A(2) of the Listing Rules provides that there must be an **[REDACTED]** in the securities for which **[REDACTED]** is sought. Where a new applicant is a PRC issuer with other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are held by the **[REDACTED]**, at the time of **[REDACTED]**, must (a) represent at least **[REDACTED]** of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than **[REDACTED]**.

Our A Shares are listed on the Shanghai Stock Exchange. The total number of the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** represents approximately **[REDACTED]** of the total issued share capital of our Company (assuming that the **[REDACTED]** is not exercised and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**). Immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the total number of the H Shares expected to be held by the **[REDACTED]** represents approximately **[REDACTED]** of the total issued share capital of our Company (excluding treasury shares), which is higher than the prescribed percentage of H Shares required to be held in **[REDACTED]** under Rule **[REDACTED]** of the Listing Rules.

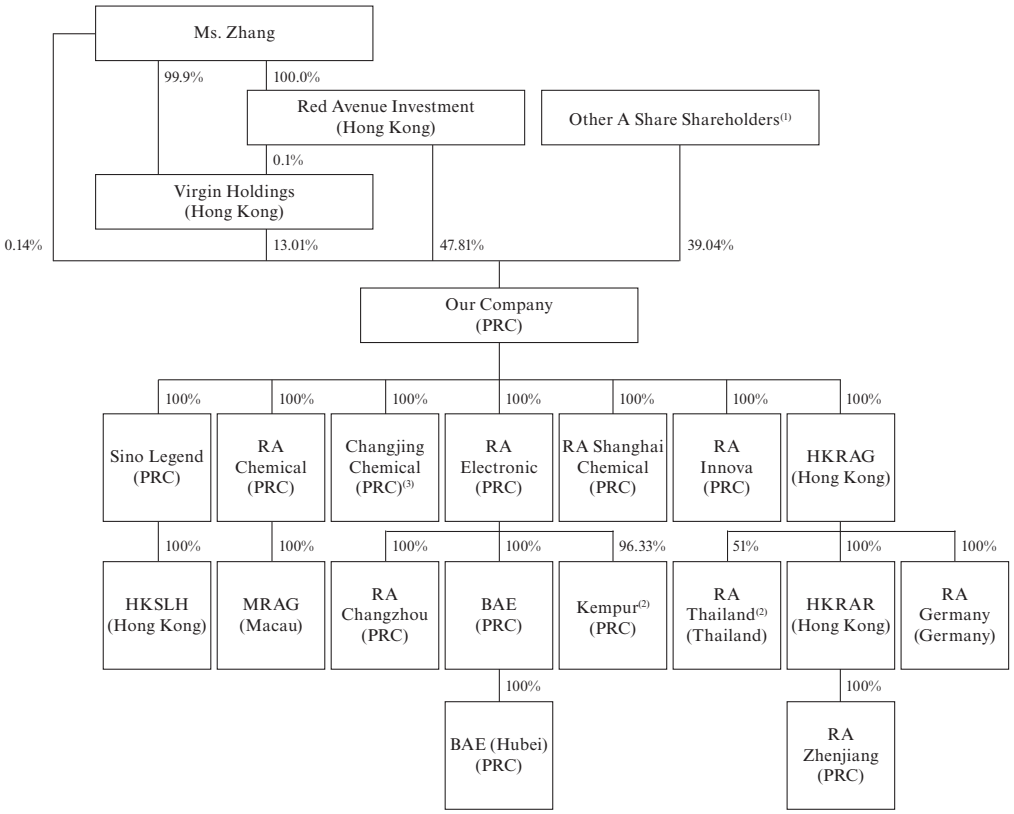
Satisfaction of the Free Float Requirement

Rule 19A.13C(2) of the Listing Rules provides that there must be sufficient shares for which **[REDACTED]** is sought by a new applicant that are held by the **[REDACTED]** and available for trading upon **[REDACTED]**. Where a new applicant is a PRC issuer with other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are held by the **[REDACTED]** and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]**, must: (a) represent at least **[REDACTED]** of the total number of issued shares in the class to which H shares belong at the time of **[REDACTED]** (excluding treasury shares), with an expected **[REDACTED]** at the time of listing of not less than **[REDACTED]**; or (b) have an expected **[REDACTED]** at the time of listing of not less than **[REDACTED]**. Our Company will **[REDACTED]** the free float requirement under Rule 8.08A (as amended and replaced by Rue 19A.13C) of the Listing Rules.

CORPORATE STRUCTURE

Corporate structure immediately prior to the [REDACTED]

The following chart sets out the shareholding and corporate structure of our Group immediately prior to the **[REDACTED]**:



Notes:

(1) None of these A Share Shareholders held more than 5% interest in our Company as at the Latest Practicable Date. The A Shares held by these A Share Shareholders include, among others, (1) 25,002 A Shares, or approximately 0.004% of the total issued share capital of our Company, repurchased by our Company pursuant to the terms of the 2023 RSA Scheme which were pending cancellation as of the Latest Practicable Date; and (2) certain A Shares repurchased by our Company from the market and held by our Company as treasury shares, which amounted to 3,001,917 A Shares, or approximately 0.49%, of the total issued share capital of our Company as at the Latest Practicable Date. Before these treasury shares are resold by our Company, these A Shares shall not carry any voting rights at general meetings or any other rights attributable to the shares, such as rights of profit distributions, capitalization issue or other subscription of shares. These treasury shares are reserved by our Company for the purpose of any share incentive scheme that may be adopted by our Company in the future, but if any of these treasury shares are not used for such purpose on or before 5 July 2027, the unused treasury shares shall be cancelled in accordance with the applicable law.

(2) The table below sets out the identity of the other shareholders which held the remaining shareholding interests of these non-wholly owned subsidiaries as at the Latest Practicable Date:

Name of our non-wholly owned subsidiary	**Name of the other shareholder (percentage of equity interests)**	**Relationship with our Group as at the Latest Practicable Date**
Kempur	Beijing Comens New Materials Co., Ltd. (北京高盟新材料股份有限公司) (3.6705%)	Independent Third Party

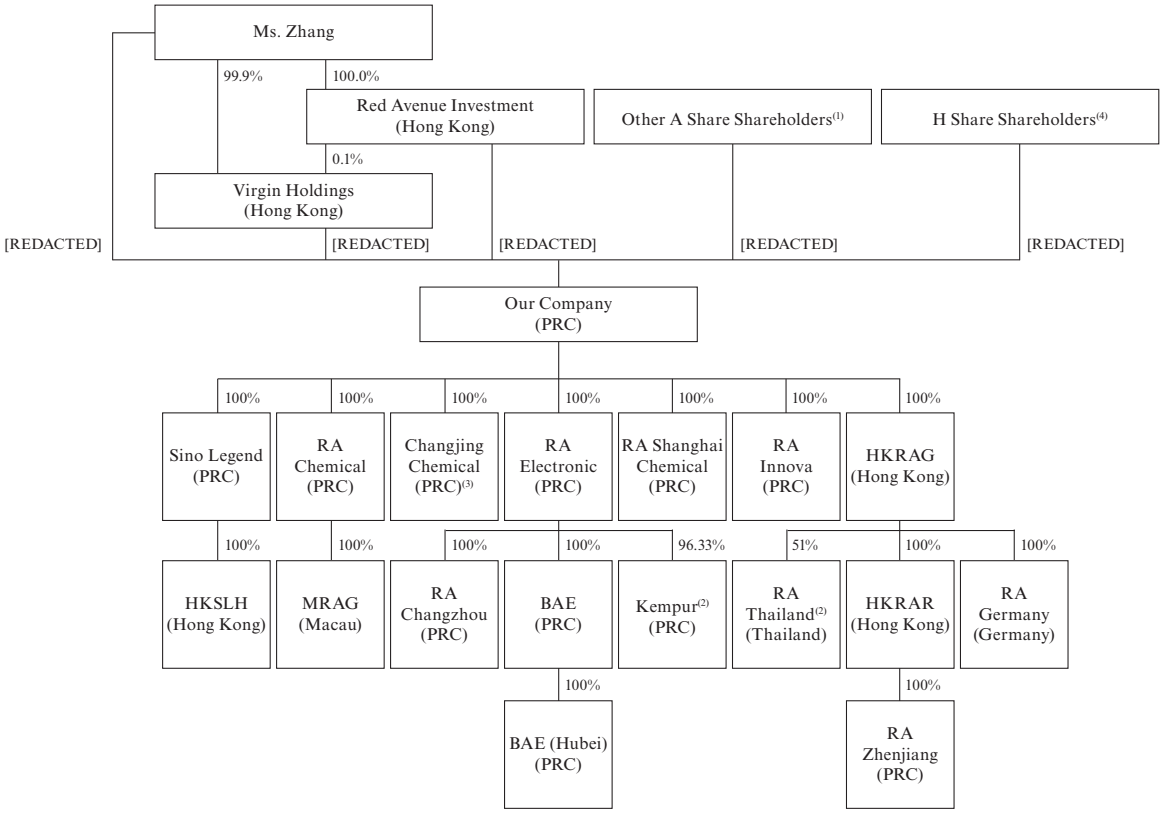
Name of our non-wholly owned subsidiary	Name of the other shareholder (percentage of equity interests)	Relationship with our Group as at the Latest Practicable Date
RA Thailand	Gold Dynasty Limited (49%)	Gold Dynasty Limited is wholly owned by Ms. Zhang and therefore is an associate of Ms. Zhang and a connected person of our Company.

(3) It is in the process of deregistration as at the Latest Practicable Date.

(4) Certain percentages shown in this chart are approximate figures.

Corporate structure immediately after the [REDACTED]

The following chart sets out the shareholding and corporate structure of our Group immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no other changes in the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**):



Notes:

(1)–(3) See the respective notes to the corporate structure chart immediately prior to the completion of the **[REDACTED]** as set out above.

(4) These H Shares will count towards the **[REDACTED]** upon **[REDACTED]**.

(5) Certain of the percentages shown in the chart are approximate figures.

OVERVIEW

Who we are

We are a leading comprehensive new materials service provider in the PRC focusing on advanced chemical products. We are primarily engaged in the R&D, production, marketing, sales and distribution of new chemical materials. During the Track Record Period, our principal businesses comprised three segments, namely (i) electronic materials; (ii) rubber additives for tyres and other chemical products; and (iii) fully biodegradable materials. With respect to electronic materials, we ranked first, in terms of sales revenue, among PRC suppliers in both the PRC semiconductor photoresist market and the PRC TFT array photoresist market in 9M2025. On the other hand, with respect to our rubber additives for tyres and other chemical products segment, according to the F&S Report, we ranked first in sales revenue in both the global and PRC phenolic resins rubber additives for tyres markets in 9M2025. In addition, based on the statistics issued by Rubber Chemicals Additives Committee of the China Rubber Industry Association (中國橡膠工業協會橡膠助劑專業委員會), we ranked first among all producers for phenolic resin for rubber in the PRC in 2024.

Our history can be traced back to 1999 when we commenced our operations in the international trading of chemical materials for tyres. Leveraging on our industry experience, we subsequently expanded upstream by establishing our production bases and have since developed into a platform enterprise integrating R&D, manufacturing and sales functions. In 2018, we successfully listed on the Shanghai Stock Exchange. Building on our accumulated technological capabilities and industry experience, we have continued to expand both horizontally and vertically along the industry value chain. We have gradually acquired controlling interests in BAE, a leading domestic supplier of photoresists for display panels in the PRC and Kempur, a leading domestic supplier of semiconductor photoresist. We also tapped into the fully biodegradable materials sector by developing products relating to PBAT. For further details of our milestones, please refer to the section headed "History, Development and Corporate Structure — Milestones" in this document.

Over the years, we have continued to develop our business through optimising our R&D capabilities, expanding our product offerings and production capacity, as well as enhancing environmental protection and production safety of our production bases. We believe that these ongoing initiatives would enable us to further expand our coverage and increase our market share in both domestic and global markets.

Our business and products

Our product offerings under the electronic materials segment are mainly divided into (i) semiconductor materials, including semiconductor photoresists, CMP polishing pads, high-purity solvents and EBR; and (ii) display panel materials, including display photoresists, organic insulating films and light-emitting materials. Our electronic materials are mainly used in the production of semiconductors and display panels by our downstream customers.

Under our rubber additives for tyres and other chemical products business segment, our major product categories include rubber resins and additives such as phenolic resins, PTBP as well as other chemical products. These products are primarily used in the production of automobile tyres and other rubber products to optimize various properties of rubber products such as their stickiness, strength and safety. In respect of our fully biodegradable materials segment, our products primarily include PBAT products mainly used in packaging materials and agricultural mulch films.

We are positioned in the midstream of the industry chain, supplying functional resins, photoresists and ancillary chemical products to downstream industries including producers of tyres, automobiles, semiconductors and display panels. Our principal raw materials include phenol, formaldehyde, resins and solvents. Apart from sourcing the raw materials from our suppliers, we are also committed to extending our operations upstream from our core products into the production of key raw materials and intermediates, with a view to realise in-house production of certain key intermediates to ensure supply stability, enhance cost control and improve our overall capability in providing comprehensive supply to our downstream customers. We initially focused on the production and sale of specialty phenolic resins for tyre applications and rubber additives and have later expanded into producing certain upstream intermediates in-house. During the Track Record Period, we produce a significant portion of DIB and PTBP in house for the production of our phenolic resin. In terms of electronic materials, we are also committed to gradually achieving in-house production of phenolic resins required for display photoresists and G-/I-line photoresists, as well as PHS resins required in the production of KrF photoresists.

As at the Latest Practicable Date, we had seven production facilities, namely, (i) the RA Chemical factory; (ii) the Sino Legend factory; (iii) the RA Zhenjiang factory; (iv) the RA Electronic factory; (v) the BAE (Hubei) factory; (vi) Kempur factory; and (vii) the RA Changzhou factory. Among these, the RA Chemical factory, the Sino Legend factory and the RA Zhenjiang factory mainly engage in the production of rubber resins, electronic resins and additives, with an aggregated annual designed production capacity of over 200,000 tonnes of rubber resins and additives. On the other hand, the RA Electronic factory and the BAE (Hubei) factory are principally engaged in the production of electronic materials, with a total annual designed production capacity of approximately 1,000 tonnes of semiconductor photoresists, 18,800 tonnes of high-purity solvents and 6,000 tonnes of display panel photoresists. The RA Changzhou factory was newly established with a focus in the R&D and manufacturing of CMP polishing pads. As at 30 September 2025, the construction of RA Changzhou Factory and the relevant product certification process had been completed.

We continue to invest in and expand our production capacity through construction of new production facilities, as well as the upgrading and expansion of our existing production lines. Looking forward, we are establishing a new production base for rubber additives in Thailand with a view to further enhancing our global supply capabilities and supporting the continued growth of our business. For details, please refer to the paragraph headed "Our strategies — Broaden our international presence and global supply capability through strategic expansion in overseas markets" in this section.

Our high-quality customers

We have established a high-quality customer base globally covering industry leading players in the automobile tyres and semiconductors, and display panels industries. We maintain long-term and stable relationship with our major customers. Our products have passed the certification and/or gained recognition from our customers. For details of our customer certification process, please refer to the paragraph headed "Business operations — product certification by our customers" in this section. In respect of our rubber additives for tyres customers, we have established ongoing business relationships with numerous well-known domestic and overseas tyre manufacturers, covering the world's top 20 tyre manufacturers, which together account for over 70% of the market share of the global tyre industry. For our electronic materials segment, we have also established business

relationships with semiconductors and display panel manufacturers with significant market positions in their respective sectors, covering various leading 8-inches and 12-inches wafer fabrication manufacturers in the PRC.

During the Track Record Period, our revenue was primarily derived from the PRC. At the same time, we have been actively expanding our overseas markets, with revenue generated from overseas sales accounting for approximately 18.7%, 19.0% and 18.8% of our total revenue for FY2023, FY2024 and 9M2025, respectively. During the Track Record Period, we have established a global presence covering more than 40 countries and regions worldwide. For details, please refer to the paragraph headed "Sales and marketing — Geographical distribution" in this section.

We mainly supply our products to downstream customers through direct sales. During FY2023, FY2024 and 9M2025, approximately 91.4%, 91.3% and 90.5% of our revenue were generated from direct sales. Under such a direct sales model, we are able to maintain close working relationships with our customers and develop an in-depth understanding of their operational requirements and preferences, which enables us to respond promptly to their needs and strengthen our customer relationships.

Our R&D achievements

We place strong emphasis on technological development and innovation. We believe that our R&D efforts are essential to the development of our business, both in resolving technical issues relating to our existing products and in supporting the development, optimisation and promotion of new products. Our R&D team collaborates closely with our management and other departments to address technical issues in product development, production and customers' requirements. For FY2023, FY2024, 9M2024 and 9M2025, we recorded R&D expenses of RMB179.8 million, RMB216.6 million, RMB147.9 million and RMB177.4 million, respectively.

We have established our R&D centers in Beijing and Shanghai, focusing on the development of formulations for rubber additives, functional materials and electronic chemicals, as well as conducting testing in respect of the application of various materials. In addition, it has been our R&D initiative to integrate the development of electronic grade resin, key raw materials for photoresist and the application of electronic chemical products, fostering synergies between our R&D teams of semiconductors and display panel photoresist. We also actively collaborate with leading universities and research institutes to jointly advance our R&D endeavours. For details, please refer to the paragraph headed "Research and development" in this section.

As at 30 September 2025, our R&D team had a total of 302 staff. We had 402 registered patents in the PRC, comprising 268 invention patents, 132 utility model patents and two design patents as at 30 September 2025.

Our sustainability

As a leading advanced chemical materials manufacturer, we place strong emphasis on sustainability and environmental protection. We actively support the Sustainable Development Goals of the United Nations. We have officially joined the United Nations Global Compact (UNGC) and are fully committed to implementing its ten core principles in the four key areas of human rights, labor, environment, and anti-corruption. To deeply embed the concept of sustainable development, we have established a comprehensive sustainability management system to fully integrate relevant principles into every aspect of

our daily operations and management. This provides a solid foundation for the efficient advancement and standardized implementation of our sustainability initiatives. Notably, our Sino Legend factory achieved the EcoVadis Platinum Award in the latest assessment cycle, securing the highest score within the industry in the PRC and standing as the sole recipient of this honor in the sector in 2026 as at the Latest Practicable Date. At the same time, we continuously enhance the transparency of our external information disclosure and actively communicate our sustainability values and concepts to all stakeholders. Since 2018, we have published annual social responsibility reports or ESG reports, fostering consensus on development through regular communication. In addition, we regularly identify and conduct in-depth analysis of key ESG topics and constantly review and optimize the results of materiality assessments by integrating the latest ESG-related regulations and policies, the core concerns of external stakeholders, and best practices in the industry.

We are committed to building a trustworthy and sustainable supply chain by embedding best practices in areas including labour rights protection, health and safety management, environmental compliance, compliance management system development, the upholding of business ethics, and carbon emissions performance management throughout the entire supply chain. We actively promote the use of green energy in our production operations. As the Science Based Targets initiative (SBTi) science-based emissions reduction targets steadily advances, we will continue to use green innovation as our core driving force to accelerate the low-carbon transformation process and strive to become an industry-leading supplier of environmentally friendly materials. In fulfilling our social responsibilities, we have always been actively involved in various public welfare sectors such as community development, educational support, emergency disaster relief, environmental protection, and cultural and sports initiatives. Through diverse approaches such as establishing dedicated charitable funds and carrying out financial donations, we earnestly fulfill our corporate citizenship responsibilities and work together with various stakeholders to co-create social value.

For details, please refer to the paragraph headed "Environment, social and governance" in this section.

Our financial performance

We have recorded stable growth during the Track Record Period. Our revenue increased from RMB2,937.3 million for FY2023 to RMB3,263.4 million for FY2024, representing an increase of approximately 11.1%. For 9M2024 and 9M2025, we recorded revenue of RMB2,419.6 million and RMB2,517.5 million, respectively, representing an increase of approximately 4.0%. We also recorded significant growth in our net profit during the Track Record Period. For FY2023, FY2024, 9M2024 and 9M2025, we recorded net profit of RMB404.1 million, RMB534.2 million, RMB467.3 million and RMB521.6 million, respectively.

OUR COMPETITIVE STRENGTHS

We are a leading new chemical materials provider in the PRC with extensive production capabilities and high market share

We are a key player holding market leading position in various new chemical materials industries. More specifically:

- We are a leading producer of semiconductor photoresists in the PRC. According to F&S, we ranked first, in terms of sale revenue, among PRC suppliers in both the PRC semiconductor photoresist markets and the PRC TFT array photoresist market in 9M2025.
- We are a leading supplier of phenolic resins worldwide. According to the F&S Report, we ranked first in sales revenue in both the global and PRC phenolic resins rubber additives markets for tyres in 9M2025. Based on the statistics issued by Rubber Chemicals/Additives Committee of the China Rubber Industry Association (中國橡膠工業協會橡膠助劑專業委員會), we ranked first among all producers for phenolic resin for rubber (橡膠酚醛樹脂) in the PRC in 2024.

In terms of production scale and capacity, through continuous investments and upgrade, our production facilities had an aggregated annual designed production capacity of over 200,000 tonnes of rubber resins, electronic resins and additives. With respect to our electronic chemical segment, our RA Electronic factory and BAE (Hubei) factory had an annual designed production capacity of 1,000 tonnes of semiconductor photoresists, 18,800 tonnes of high-purity solvents and 6,000 tonnes of display photoresists. Through economies of scale, refined production management and continuous technological improvement, we are able to effectively reduce our per-unit production costs, enhances resource utilisation efficiency and further expand our product offerings.

We believe that our leading market position, coupled with our scale of production capacity, product variety, R&D experience and expertise, as well as product quality and reputation among the market, would enable us to be well-equipped to stay competitive and lay a solid foundation for us to continue expanding in the domestic and global markets and increasing our market coverage.

Our diversified product portfolio and capabilities in offering comprehensive and tailored solutions enable us to provide products and services that effectively address our customers' needs

With our substantive experience in the industry, our greatest strength lies in our understanding of the needs of our downstream customers. We adhere to a market-oriented approach in our product development and R&D strategies. We continue to build a diversified product portfolio across our three core business segments in order to capture industry trends and evolving customers' needs. As a platform-based enterprise, we maintain close communication with our downstream customers to gain an in-depth understanding of their requirements and provide them with tailored and one-stop solutions. We are capable of offering tailored formulation and/or specifications to suit our customers' diverse needs. As at 30 September 2025, we had over 900 SKUs across our three business segments.

For the electronic materials segment, leveraging our strong capabilities in resin synthesis (樹脂合成) and formulation of photoresist, as well as our large-scale production capacities for photoresists and related ancillary solvents, we are able to offer an extensive product portfolio spanning high-purity base resins (高純原料樹脂), semiconductor and

display photoresists and ancillary solvents tailored for multiple application scenarios and different customers' need. In recent years, we have continuously promoted the development and customer accreditation of high-end photoresists such as ArF and KrF photoresists, thereby further enriching our product pipeline and supply capabilities for mid-to-high-end process nodes. For our rubber additives for tyres, through integrating our self-produced and other traded products, we are able to provide our customers with a comprehensive solution ranging from formulation design of resin and product selection to the application of our products in different scenarios. For our fully biodegradable materials segment, we strive to develop a diverse range of products from PBAT resins to modified plastic materials with a view to covering different application scenarios required by our customers.

We consider our ability to provide tailored products and technical services to our customers is one of the contributing factors to our success. Leveraging our experience in the application of new chemical materials and our strong R&D capabilities, we have developed a distinct advantage in delivering tailored solutions to our customers. Our R&D, sales and product development teams work closely to address any technical issues and requirements of our customers. Based on our industry experience, we are able to understand the production process, conditions and requirements of our customers and provide tailored solutions addressing their needs.

Our diversified product portfolio and strong capabilities in delivering tailored technical solutions continue to reinforce our competitive position and support our long-term development. As such, we believe that we are well positioned to capture evolving customer demand and deepen our penetration in both domestic and overseas markets.

Strong R&D capabilities that enable us to continuously deliver high-quality products

We have been committed to the R&D of advanced new chemical materials to meet the evolving needs of our customers. Over the years, we have accumulated extensive technological expertise and industry experience. We have established our R&D centers in Beijing and Shanghai, focusing on the development of formulations for rubber additives, functional materials and electronic chemicals, as well as conducting testing in respect of the application of various materials. In addition, it has been our R&D initiative to integrate the development of electronic grade resin, key raw materials for photoresist and the application of electronic chemical products.

We take a holistic approach in the coordination of our R&D initiatives across different business operations, enabling seamless transition from our R&D initiatives to mass-production and application by our customers. Our product management department regularly conduct internal meetings with R&D personnels of our various business segments to discuss issues encountered in product development and review technical issues raised from the sales department. Our R&D department also works closely with our production team to ensure smooth production of new products.

We continue to increase our investment in R&D, with the associated expenses maintaining steady growth over the years. During the Track Record Period, our R&D expenses amounted to RMB179.8 million, RMB216.6 million, RMB147.9 million and RMB177.4 million for FY2023, FY2024, 9M2024 and 9M2025, respectively. We have developed a series of core technologies and patent portfolios with independent intellectual property rights around our key raw materials, formulation design and production

processes, providing strong support for product upgrades and the development of new products. As at 30 September 2025, we had 402 registered patents in the PRC, comprising 268 invention patents, 132 utility model patents and two design patents.

During the Track Record Period, our R&D activities continued to progress and yield a number of notable achievements, including:

- In the field of semiconductor materials, our major R&D achievements are as follows:

  (i) developed multiple ArF dry and ArFi photoresist products which have passed the relevant product certification process of our customers and had commenced commercialisation;

  (ii) achieved technological breakthroughs in high-resolution KrF and negative KrF photoresists, thereby establishing a comprehensive KrF product portfolio and achieved in-house manufacturing of certain PHS resins;

  (iii) building on our wide coverage of I-line photoresist, we have achieved breakthroughs in graded processing technology of phenolic resins, enabling in-house supply of upstream raw materials;

  (iv) developed high-sensitivity I-line chemically amplified photoresists and, based on such technology platform, launched a full range of thick-film photoresist materials for advanced packaging applications; and

  (v) established high-purity solvent purification technology, supporting the commercialisation of G5-grade EBR.

- Our major R&D achievements in the field of display panel materials are as follows:

  (i) in high-resolution photoresist technology, we have successfully developed high-performance positive TFT photoresists based on traditional novolac systems that support finer line widths, providing key material support for the high-definition evolution of LCD and OLED panels and contributing to industry development;

  (ii) in low-power organic insulating films, we have launched new organic insulating film materials that combine a low dielectric constant with high light transmittance, significantly reducing the driving power consumption of display panels and accelerating the commercialization of low-power, high-definition display technologies; and

  (iii) in OLED light-emitting materials, we have reached an industry-leading level in terms of colour gamut technology as we have achieved breakthrough in the large-scale application of highly efficient red light-emitting materials by our customers, supporting them in achieving breakthrough progress in high-colour-gamut technology standards.

- In the field of rubber additives of tyres, we have been committed to developing sustainable new materials. Specifically, we have successfully developed bio-based process oil (EcoaveRBO-T) and bio-based lignin-based filler (Ecoave LF1001). At

the same time, our latest processing aid (SL-5048) can effectively address technical challenges associated with high-silica formulations in green tyre applications, providing customers with specialised technical solutions.

- In the field of biodegradable materials, we have successfully launched high-performance biodegradable PBAT materials suitable for agricultural mulch film, which have been applied in various agricultural products providing functions such as weed suppression, heat retention and moisture conservation. Such material can be used to replace traditional polyethylene agricultural mulch film thereby promoting the green and sustainable development of the agricultural sector.

We believe that our R&D capabilities will continue to form a core driver of our long-term competitiveness and sustainable growth. With continuous investment in R&D, we are able to respond quickly to evolving customer needs, support their technological upgrades and further strengthen our position in the advanced new chemical materials industry.

Our vertically integrated operations enhance our efficiency and market competitiveness

With our vertically integrated operations, we are able to offer downstream application know-how and customers services and at the same time, possess strong upstream chemical capabilities, thereby offering our customers suitable formulation design, technical support in application and customised services. We began as a specialist in rubber additives for tyres and have since evolved into a vertically integrated enterprise by actively pursuing the R&D and production of upstream raw materials such as resins required for photoresists as well as DIB and PTBP used in the production of our rubber additives. We leverage upstream polymer capabilities across our rubber additives for tyres and electronic materials, which share common resin production processes and allow for the transferability of our process technologies and R&D capabilities. For example, synthesis technologies of phenolic resin are used not only in tackifying and reinforcing resins for tyres, but also in electronic-grade phenolic resins and resins for photoresists.

By extending upstream and producing key resins and intermediates in-house, we have effectively reduced raw material procurement costs and supply chain volatility, thereby strengthening our cost control capabilities. On the other hand, our vertically integrated operating model enhanced our R&D efficiency, shortened new product development cycles and accelerated formulation optimisation and performance iteration. This integrated approach also enables us to respond more flexibly to customers' multifaceted requirements in terms of performance, cost and environmental attributes, and to provide solutions from upstream materials to the application in customers' products, thus increasing customer stickiness and the long-term value of our customer relationships.

We have established strong and long-standing relationships with domestic and overseas leading enterprises

As an advanced chemical materials supplier with integrated R&D capabilities, large production capacity and reliable product quality, we have gained recognition from numerous sizable and well-known domestic and overseas enterprises, including leading tyre, semiconductor and display panel producers. We have established on-going business relationships with internationally renowned tyre producers, covering the world's top 20 tyre manufacturers, which together account for over 70% of the market share of the global

tyre industry. Our customers also cover various leading 8-inches and 12-inches wafer fabrication manufactures in the PRC. We have consistently received recognitions from our customers as their "supplier of the year" and "strategic supplier".

We have established long-term relationship with our top five customers during the Track Record Period. In particular, we have established business relationship for over 15 years with each of Customer/Supplier Group C and Customer Group F. The long-term and stable relationship with our customers evidenced their recognition of our products and technological capabilities. In addition, as we are generally required to undergo lengthy and stringent certification process by our customers before obtaining orders from them, it is costly for our customers to switch to other suppliers, resulting in strong customer loyalty to our products. Our products have been continuously validated by major industry participants in different end-markets, which further evidences our production and R&D capabilities and underscores our ability to capture new business opportunities in the market.

Experienced management team with in-depth industry and management experience and knowledge and a dedicated team of employees

We have a management team which has extensive experience and in-dept understanding of our industry. Our management team is led by our founder, executive Director and chairman of the Board, Ms. Zhang. Ms. Zhang holds a bachelor's degree in science majoring in biochemical engineering from Beijing Technology and Business University, a master of science degree in engineering business management from the University of Warwick in England, an Executive Masters in Business Administration from Cheung Kong Graduate School of Business, and a Doctor of Business Administration in Global Financial Management from Arizona State University. Ms. Zhang has over 26 years of experience in the chemical products industry and the investment field and possesses a deep understanding of domestic and international customer needs. Our other management team members also have significant experience in the chemical products industry and have served in senior management capacities at large enterprises. For details of the background of our Directors, please refer to the section headed "Directors and Senior Management — Board of Directors" in this document.

Our dedicated team of employees is also fundamental to our success. Our management, R&D, sales and production team possess extensive expertise in the new chemical materials industry, which enables us to effectively translate our R&D results into commercialization of our products. We place great importance on talent development and retention. We are committed to stimulating employees' potential and enhancing their motivation through diversified incentive policies and performance appraisal system. These measures help us maintain a stable and high-calibre talent pool, support the continuous optimisation of our operations, and strengthen our ability to execute our development strategies.

OUR STRATEGIES

Strengthen our R&D capabilities and efficiency to promote technological innovation and further enrich our product portfolio

We are committed to reinforcing our R&D capabilities and efficiency to stay at the forefront of technological innovation while continuously expanding and upgrading our product portfolio. By integrating new materials, advanced formulations and manufacturing techniques, we aim to enhance product performance and address diverse customer needs across a wide range of application scenarios.

Driven by applications in AI, big data, and the Internet of Things (IoT), there are increasing demands for high-performance and low-power integrated circuit chips. From the perspective of chip design and manufacturing, on one hand, there are increasing demands for higher planar integration and adoption of multiple patterning techniques to enhance integration density in line with Moore's Law, which is driving sustained growth in the demand for ArF dry and ArFi photoresists and related materials (including spin-on carbon for three-layer processes, spin-on carbon materials and anti-reflective coatings). On the other hand, beyond Moore's Law, three-dimensional integration technologies represented by 3D NAND, High Bandwidth Memory (HBM) and chiplet architecture are **[REDACTED]** higher requirements on photoresist materials used in advanced packaging. As material systems become more complex, there is a greater need for various types of process chemicals (such as specialty edge bead removers, negative developers, and developer rinses).

From the perspective of overall chip manufacturing technology trends, we will continue to develop advanced photoresists, with a focus on expanding our ArF dry and ArFi product portfolio to meet next-generation lithography requirements. We will develop a full suite of photoresist ancillary materials, in particular materials used for multiple patterning processes, such as spin-on carbon materials (including those for three-layer processes) and anti-reflective coatings, to support higher integration density. Also we intend to strengthen the development of process chemicals, including special EBR, negative tone developers and development rinse materials, to provide more comprehensive process solutions. In addition, we intend to broaden our offerings of advanced packaging materials, especially photoresists and supporting materials for fine redistribution layer (Fine RDL), through-silicon vias (TSVs) and bumping processes, to capture growth opportunities in three-dimensional integration and advanced packaging.

In respect of rubber additives for tyres, from the perspective of downstream demand, new energy vehicles are **[REDACTED]** higher requirements on tyre performance, which continues to drive market demand for related specialty materials such as green tyres and low rolling-resistance materials. Global tyre manufacturers are accelerating technological upgrades and product mix adjustments, and their reliance on high-quality, environmentally friendly rubber materials for tyres continues to deepen.

In strengthening our R&D capabilities and efficiency, we will proactively recruit research and management talent with industry experience and professional expertise, forming a specialized and multi-layered talent pool through a combination of internal training and external recruitment. We believe that this will provide a solid foundation for sustained technological leadership and business expansion. In addition, we plan to integrate the use of AI into our R&D processes to improve efficiency and shorten development cycles. We also plan to increase and upgrade our R&D equipment, encompassing both hardware and software, to support more sophisticated experimentation and testing, as well as strengthening cooperation with universities and other research institutions as well as external experts to broaden our access to cutting-edge technologies and industry know-how.

In terms of enriching our product portfolio, we intend to develop a wider range of electronic materials, including photoresists and supporting materials for advanced process nodes to meet the growing demand arising from, among others, the broader adoption of AI technologies. On the other hand, we would further develop vertically by deepening our deployment in the development of raw materials for our chemical materials. For our rubber additives for tyres, we plan to further enrich our product portfolio by introducing new products that meet increasingly stringent requirements regarding safety, energy efficiency and environmental protection. We also intend to cooperate with leading tyres

manufacturers to co-develop low-rolling-resistance tyre materials specifically targeting new energy vehicles. For our biodegradable materials segment, we will focus on developing more high value-added products and extending our biodegradable solutions into a broader range of application scenarios, including high heat-resistant packaging, multilayer composite food packaging and highly weather-resistant outdoor products.

We believe that these initiatives, taken together, will allow us to expand our market share and capture the substantial growth opportunities in our target markets.

Broaden our international presence and global supply capabilities through strategic expansion in overseas markets

We are committed to continuously expanding our market share locally and internationally. In FY2023, FY2024 and 9M2025, approximately 18.7%, 19.0% and 18.8% of our revenue, respectively, was generated from overseas countries and regions, mainly covering Southeast Asia, Japan, Korea and India. Going forward, it is our strategy to further expand our global market coverage and promote our transformation from a "PRC supplier" into a "global integrated new chemical materials service".

We plan to establish overseas production facilities to enhance global supply capabilities and responsiveness to global demand. Particularly, we are establishing a production base overseas. In addition, we also intend to establish overseas subsidiaries and/or offices and expand our sale team for overseas sales to further deepen our engagement with overseas markets by providing local services to overseas customers and improving our responsiveness to demand from overseas customers.

Upgrade and maintain our production facilities to enhance our production capabilities and competitiveness of our products to meet market demand

We continuously upgrade and maintain our production facilities to enhance our production capabilities and enhance competitiveness of our products to meet market demand.

In particular, we intend to further enhance our production lines for high-performance resins, including phenolic resins for photoresists and PHS resins, with a view to strengthening our self-sufficiency in electronic-grade resins. We also plan to leverage our solvent purification and production capabilities to upgrade our production lines of photoresists, high-purity solvents and to further increase our market share and internal supply capacity of EBR products. At the same time, we seek to enhance our production capacities for new process materials in response to the needs of advanced process manufacturing. Building on our ongoing ESG initiatives, we will continue to upgrade major production machinery and equipment to promote the green transition of our rubber additives production processes and to reduce the intensity of carbon emissions.

For our detailed plans on upgrading and maintaining our production facilities, please refer to the section headed "Future plans and **[REDACTED]**" in this document.

Facilitate growth through potential investments and strategic acquisitions

Over the years, we have continuously sought opportunities in strategic acquisitions and investments with a view to cultivating new drives for our business growth and enhance our competitiveness in the long run. Going forward, we will continue to identify and pursue strategic investments and/or acquisitions that would bring synergy to our core business. Our focus would be on companies that would bring synergy to our core business, including

but not limited to, companies engaging in R&D, production and/or sale of upstream raw materials of our products or other new chemical materials that are complementary to our business operations. In evaluating potential targets for investment and acquisition, we primarily assess factors such as their business strategies, management, product offerings, technological expertise and financial performance.

We believe that, through these strategic investments and acquisitions, we would be able to efficiently expand our technology and product portfolio and broaden our market access, thereby accelerating our revenue growth.

OUR BUSINESS MODEL

We are primarily engaged in the R&D, production, marketing, sales and distribution of new chemical materials. During the Track Record Period, our principal businesses comprised three segments, namely (i) electronic materials; (ii) rubber additives for tyres and other chemical products and (iii) fully biodegradable materials. The table below sets forth the breakdown of our revenue by our business segments for the years/periods indicated:

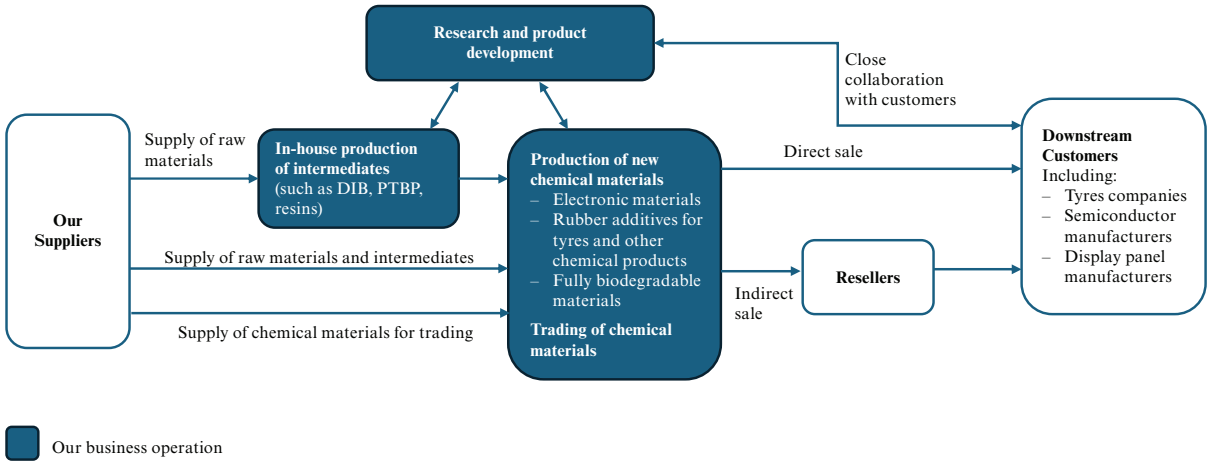
	FY2023		FY2024		9M2024		9M2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)* (unaudited)	*%*	*(RMB'000)* (unaudited)	*%*
Electronic chemicals	561,490	19.1	744,853	22.8	540,915	22.4	700,396	27.8
Rubber additives for tyres and other chemical products	2,275,508	77.5	2,437,747	74.7	1,840,211	76.0	1,753,146	69.7
Fully biodegradable materials	100,336	3.4	80,780	2.5	38,515	1.6	63,929	2.5
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

We operate as a platform enterprise integrating research, product development, manufacturing and sales, enabling us to offer a comprehensive solution to our customers. We work closely with our customers in their downstream product development, which enables us to gain a thorough understanding of specific application scenarios and technical requirements and to translate these into practical material solutions. In addition, we operate a vertically integrated manufacturing operation under which we also produce certain key production materials for our products, which enhance our understanding of and control over the upstream raw materials used in our products.

During the Track Record Period, our products were mainly sold in the PRC, while a portion of our sales were generated from overseas markets. For details, please refer to the paragraph headed "Sales and marketing — geographical distribution" in this section. We mainly sell our products directly to our customers covering industry's leading players in the automobile tyres, semiconductors and display panels industries in the PRC and globally.

During the Track Record Period, our revenue was primarily derived from the sale of self-manufactured products. We also operated a limited trading business in certain products to complement our product portfolio and provide comprehensive, one-stop solutions to our customers. For FY2023, FY2024 and 9M2025, revenue derived from our trading business amounted to RMB289.2 million, RMB369.6 million and RMB282.2 million, respectively, representing approximately 9.9%, 11.3% and 11.2% of our total revenue for the respective year/period.

The following diagram sets forth our business model:



OUR PRODUCTS

We offer a wide range of chemical materials across our three business segments. The table below sets forth the breakdown of our revenue by our major product categories for the years/periods indicated:

	FY2023		FY2024		9M2024		9M2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)* (unaudited)	*%*	*(RMB'000)* (unaudited)	*%*
Electronic chemicals								
— Semiconductors materials	201,436	6.9	303,084	9.3	216,597	9.0	302,261	12.0
— Display panel materials	260,571	8.9	330,188	10.1	244,214	10.1	312,685	12.4
— Electronic resins and others[(1)]	99,483	3.3	111,581	3.4	80,104	3.3	85,450	3.4
Sub-total	561,490	19.1	744,853	22.8	540,915	22.4	700,396	27.8
Rubber additives for tyres and other chemical products								
— Rubber resins and additives[(2)]	2,217,728	75.5	2,366,948	72.5	1,797,322	74.3	1,682,497	66.9
— Others[(3)]	57,780	2.0	70,799	2.2	42,889	1.7	70,649	2.8
Sub-total	2,275,508	77.5	2,437,747	74.7	1,840,211	76.0	1,753,146	69.7
Fully biodegradable materials								
— PBAT	100,336	3.4	80,780	2.5	38,515	1.6	63,929	2.5
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Notes:

(1) Others include (but not limited to) electronic phenolic aldehydes (電子酚醛) and glass powder.

(2) Rubber resins and additives include (but not limited to) phenolic resins and other rubber additives, resin products, and compounding agents.

(3) Others include (but not limited to) catalysts and by-products from our production.

Electronic materials

The electronic materials segment represents our key strategic focus for ongoing development and growth. Revenue from our electronic materials segment amounted to RMB561.5 million and RMB744.9 million for FY2023 and FY2024, respectively, representing a year-on-year growth of approximately 32.7%. Our product offerings under the electronic materials segment are mainly divided into (i) semiconductor materials, including semiconductor photoresists, CMP polishing pads, high-purity solvents and EBR; and (ii) display panel materials, including display photoresists, organic insulating films and light-emitting materials. Our electronic materials are mainly used in the production of semiconductors and display panels by our downstream customers.

The table below illustrates our major product categories under the electronic materials segment during the Track Record Period:

Category	Product	Usage
Semiconductor materials	Semiconductor photoresists and supporting materials	Key materials in the manufacturing of semiconductors
	High-purity solvents and EBR	Removing excess photoresists from the edge of wafers
	CMP polishing pads	A core consumable in the chemical mechanical polishing (CMP) process for polishing and planarization of the surface of semiconductor wafers
Display panel materials	Display photoresists	A key material in the manufacturing of display panel
	Organic insulating films	Functional resin-based film prepared through coating and related processes
	Light-emitting materials	Functional materials convert electrical energy or other forms of energy into electromagnetic radiation and visible light under external energy excitation

Photoresists

Photoresist is an essential material used in photolithography (光刻), which is one of the major processes in the manufacturing process of semiconductors and display panels. In photolithography, circuit patterns on a photomask (光刻掩膜版) are projected onto the surface of a substrate coated with photoresist, and corresponding patterns are formed in the

photoresist layer through exposure (曝光) and development (顯影). These patterns are then transferred onto the substrate by subsequent processes such as etching (蝕刻) and ion implantation (離子注入), enabling the formation of micron- and nanometre-scale circuit structures on substrates such as wafers and glass panels, which are used in the production of semiconductors and display panels. Photoresist is one of the key materials in photolithography with the most stringent precision requirements. Its performance also directly determines the linewidth and lithography quality, making it an irreplaceable component in the entire process chain.

In terms of semiconductor photoresists, our product portfolio covers a range of products, including G-line, I-line, ArF and KrF photoresists. Each type operates at a distinct exposure wavelength, which determines the resolution and precision of circuit pattern transfer in the photolithography process. With the comprehensive range of products, we are able to meet the requirements of various process nodes and application scenarios across the semiconductor manufacturing value chain. As such, we have become one of the leading domestic suppliers of photoresists for 8-inches to 12- inches integrated circuit production lines in the PRC.

In terms of display photoresists, we are a leading local supplier of positive photoresist for LCDs in the PRC and the first PRC manufacturer to achieve commercial production of locally made positive photoresist for array applications. Our products cover all the mainstream display technologies such as amorphous silicon (a-Si), low-temperature polycrystalline silicon (LTPS), indium gallium zinc oxide (IGZO), and organic light-emitting diode (OLED), and have achieved stable commercial production and supply for a wide range of display panel production lines covering medium- to large-sized glass substrates.

High-purity solvents and EBR

High-purity electronic chemical EBR is a key solvent in semiconductor manufacturing, primarily used in the photoresist cleaning process. It serves as an edge bead remover or cleaning solution component to effectively dissolve residual photoresist, ensuring the cleanliness and yield of chip manufacturing. G5-grade EBR is currently the highest specification for electronic-grade solvents, which is mainly designed to meet the needs for ultra-high-purity solvents required by advanced chip manufacturing processes, and is especially suitable for photolithography processes at 7nm and below. In 2023, we successfully carried out trial production of G5-grade EBR. These products have achieved mass-scale supply to leading domestic advanced semiconductor chip manufacturers, successfully breaking foreign monopolies and establishing a benchmark for G5-grade EBR production technology in the PRC. We will continue to focus on building a domestically leading and internationally first-class, fully self-controlled electronic materials industry chain.

CMP polishing pads

CMP polishing pads are core consumables in chemical mechanical polishing (CMP) to hold and evenly distribute the polishing slurry, provide the mechanical contact and pressure for material removal, remove debris generated during polishing to maintain a stable environment to ensure that the wafer surface would achieve a uniform and flat polishing effect. CMP polishing pads are primarily used in cutting-edge fields such as microelectronics and semiconductors, where the quality and performance are especially critical in the manufacturing of high-performance integrated circuits and micro-nano devices.

To deepen our presence in this field, we had established a new production facility, being the RA Changzhou Factory, to engage in the R&D and manufacturing of CMP polishing pads. As at 30 September 2025, the construction of RA Changzhou Factory and the relevant product certification process had been completed. In 2025, we successfully secured orders for CMP polishing pad orders from several major domestic 8-inch and 12-inch wafer foundries and began production and delivery.

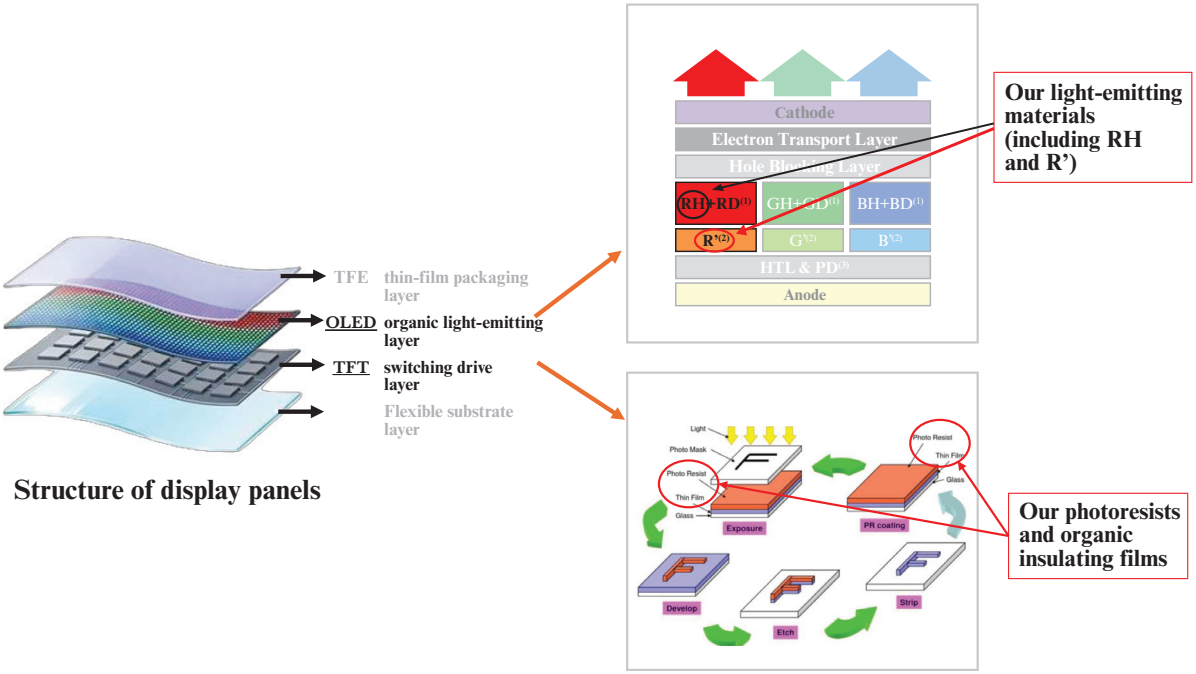
Organic insulating films

Organic insulating film typically refers to a functional thin-film resin used in the display industry through processes such as coating, exposure, and development. With their relatively high dielectric constant and low out-gassing of impurities, they are used to form organic dielectric layers in electronic devices, improving capacitance design precision and meeting the production demands of high-resolution, high-reliability display devices. Organic insulating films are widely applied in backplane structures of LED other technologies, for example, serving as passivation layers, or interlayer dielectric materials, and pixel definition layer. During the Track Record Period, we have launched new organic insulating film materials that combine a low dielectric constant with high light transmittance, significantly reducing the driving power consumption of display panels and accelerating the commercialization of low-power, high-definition display technologies.

Light-emitting materials

Light-emitting materials are functional materials that can convert electrical energy, light energy, or other forms of energy into electromagnetic radiation and visible light under external excitation. They are widely used in fields such as displays, lighting, signal indication, and optoelectronic devices. Based on the excitation method, light-emitting materials mainly include electroluminescent materials (電致發光材料) and photoluminescent materials (光致發光材料). On the other hand, based on material systems, they can be classified as inorganic or organic light-emitting materials. Their core performance indicators typically include luminous efficiency, emission wavelength and color purity, response speed, stability, and service life. In display and lighting applications, light-emitting materials achieve control over color and brightness through precise regulation of energy level structures and chemical compositions, making them one of the key foundational materials that determine device display performance and energy efficiency. In OLED light-emitting materials, we have reached an industry-leading level in wide colour gamut technology as we have achieved breakthrough in the large-scale application of highly efficient red light-emitting materials by our customers, supporting them in achieving breakthrough progress in high-color-gamut technology standards.

Set out below is an illustration of the application of our display panels materials in the production of display panels:



Structure of display panels

Notes:

(1) RH and RD, GH and GD, and BH and BD respectively denote pairs of red, green and blue organic light-emitting sub-layers with different dopant or host compositions within the organic light-emitting layer of the display panel, which together enable fine tuning of emission efficiency, color coordinates and device lifetime.

(2) R', G' and B' respectively denote modified or variant structures of the red, green and blue organic light-emitting sub-layers disposed within the organic light-emitting layer of the display panel.

(3) The hole transport layer and the doped emissive (prime-doped) layer.

Rubber additives for tyres and other chemical products

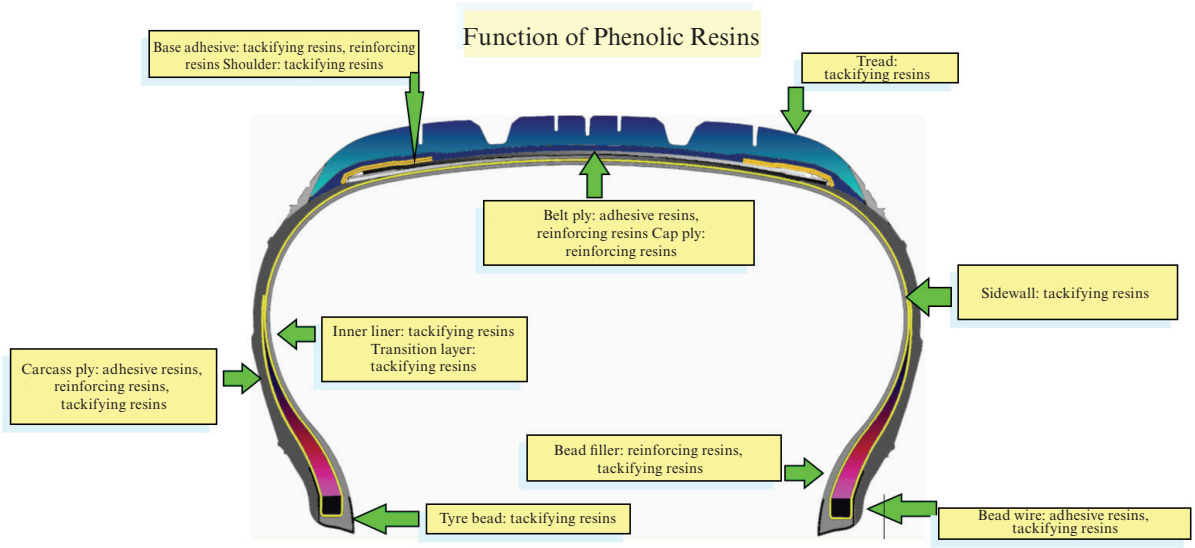
The rubber additives for tyres and other chemical products segment is our largest business segment during the Track Record Period. In FY2023, FY2024 and 9M2025, revenue generated from this segment amounted to approximately 77.5%, 74.7% and 69.7% of our total revenue, respectively. Our major product categories under this segment include rubber resins and additives such as phenolic resins. These products are primarily used in the production of automobile tyres and other rubber products to optimize various properties of rubber products such as their stickiness, strength and safety.

Phenolic resins

Rubber additives products are typically classified into five main categories, including rubber accelerators, rubber antioxidants vulcanizing agents, specialty functional additives, and processing additives. Among these, the first three types of products, namely accelerators, antioxidants, and vulcanizing agents are commonly used in rubber products and are referred to as general-purpose rubber additives. In contrast, specialty functional additives, and processing additives are referred to as functional rubber additives.

Our phenolic resins are one of the specialty rubber additives which mainly serve as special materials for automotive and tyres applications. Phenolic resins are a broad class of synthetic resins produced by the polycondensation of phenolic compounds and aldehydes. They possess excellent acid resistance, mechanical properties and heat resistance, and are widely used in areas such as rubber products, anti-corrosion processes, adhesives, flame-retardant materials, and grinding wheels.

Set out below is an illustration of the typical application scenarios of phenolic resins in the manufacture of tyres based on cross-sectional diagram of a tyre:



In the applications in automative tyres industry, phenolic resins are categorized by its function mainly into (i) tackifying resins (增黏樹脂), which are used to improve stickiness during tyre processing; (ii) adhesive resins (黏合樹脂), which enhance the bonding between framework materials and rubbers; and (iii) reinforcing resins (補強樹脂), which increase the mechanical strength of rubber materials. Set forth below are details our major phenolic resins products:

Product categories	Major products	Applications
Tackifying resins	PTBP tackifying resin	Mainly for rubber products with a high proportion of synthetic rubber and requiring high processing tack, such as tyres, conveyor belts, hoses, rubber rollers, rubber sheets, cable covering, adhesives, retreaded tyres and other products
	PTOP tackifying resin	With excellent tackifying performance, it can be used in any composite rubber products that require high-viscosity bonding, particularly those based on synthetic rubber
Reinforcing resins	Modified phenol-formaldehyde resin Unmodified phenol-formaldehyde resin	Mainly used in the bead area of tyres, and also in sole adhesives and automotive window weatherstrips and similar applications
Adhesive resins	Resorcinol-formaldehyde resin	Widely used in various rubbers and for bonding steel cord, nylon, rayon, polyester, vinylon and glass fibre

PTBP (對叔丁基苯酚)

PTBP is an important organic phenolic intermediate which is primarily used in resin synthesis, polymer material modification, surfactants, and additives. It mainly serves as a molecular weight regulator and chain terminator in polycarbonate (聚碳酸酯). PTBP is classified into general grade and polycarbonate (PC) grade. We sell PTBP to our customers as well as using it for our in-house production of phenolic resins.

Fully biodegradable materials

Our products under the fully biodegradable materials segment primarily include PBAT products mainly used in packaging materials and agricultural mulch films. Since 2020, leveraging the PBAT polymerisation technology licensed by a leading global chemical company headquartered in Germany, we have been developing fully biodegradable

materials for various applications. Our PBAT-modified materials have obtained food safety certifications from the relevant regulatory authorities in different countries and could be extensively utilized in the production of biodegradable food packaging. These materials exhibit exceptional barrier properties and outstanding transparency, positioning them as highly effective alternatives to the traditional polyethylene (PE) films.

Product life cycle

Our products, which principally comprise rubber additives for tyres and other chemical products and electronic chemicals, do not have a clearly defined or fixed product life cycle, as demand for our products is primarily driven by our customers' ongoing production requirements and prevailing industry conditions rather than specific product replacement or upgrade cycles. The product life cycles for each product and/or SKU may vary depending on various factors such as specific product application, technological upgrades, changes in industry standards, regulatory requirements and evolving end-user preferences.

Pricing

The table below sets for the sales volume and average selling prices of our major product categories during the years/periods indicated.

	FY2023		FY2024		9M2024		9M2025	
	Sales volume	Average selling price[(1)]	Sales volume	Average selling price[(1)]	Sales volume	Average selling price[(1)]	Sales volume	Average selling price[(1)]
	(tonnes '000)	*(RMB '000)*	*(tonnes '000)*	*(RMB '000)*	*(tonnes '000)*	*(RMB '000)*	*(tonnes '000)*	*(RMB '000)*
Electronic chemicals	12.2	44.3	16.2	46.1	12.0	45.1	13.0	53.9
Rubber additives for tyres and other chemical products	138.9	16.2	154.7	15.8	117.2	15.7	118.3	14.8
Fully biodegradable materials	9.7	10.7	8.4	9.6	3.7	10.4	7.3	8.8

Note:

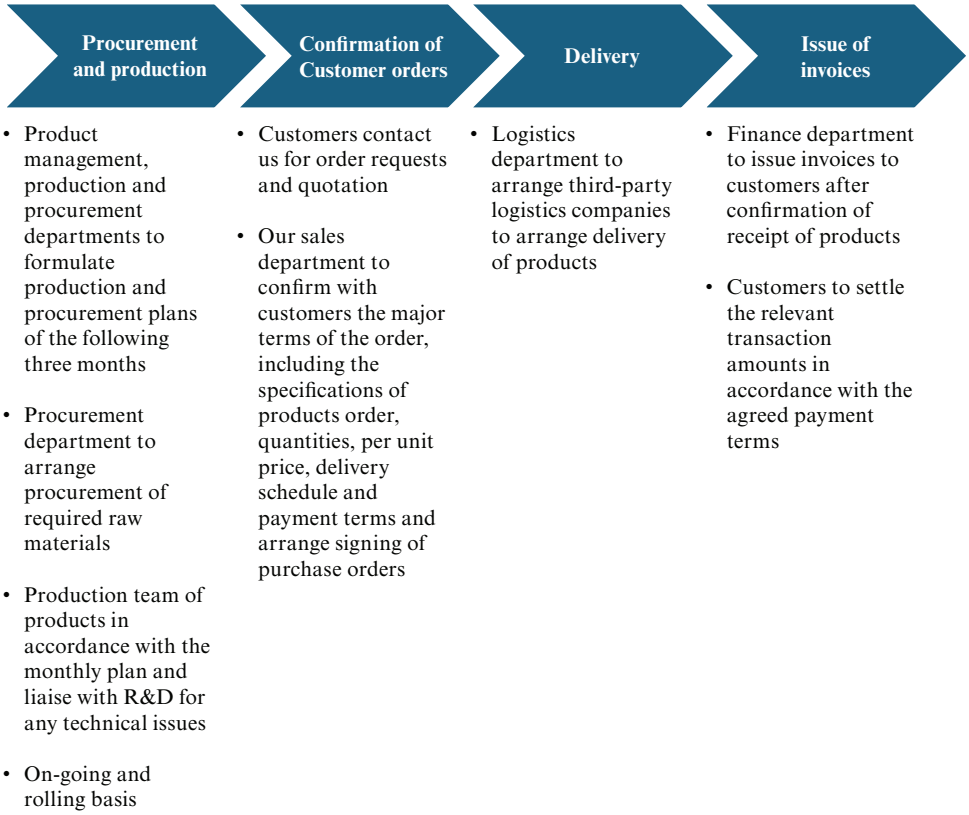
(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the respective year/period, which represented the average price at which our products were sold to our customers.

During the Track Record Period, the average selling price of our products had been mostly stable across our business segments, except for the relatively significant increase in the average selling price of our electronic materials in 9M2025, which was primarily attributable to the change in product mix with an increased proportion of high-end photoresist products such as ArF and KrF photoresists. We may need to adjust our product pricing from time to time in response to fluctuations in raw material costs, changes in market demand and competitive dynamics.

BUSINESS OPERATIONS

Operation flows

Set for the below is a summary of the key steps of our general business operation:



Product certification by our customers

Prior to mass production of a new product, we are generally required to go through lengthy and rigorous certification processes by our customers which typically include extended product testing, technical specification verification and end-use application testing and on-site quality system audits. The time required for such certification processes vary depending on technical requirements and specifications of the relevant product and the customer. Specifically, given the stringent requirements, the product certification of our photoresist products may take around two to three years. On the other hand, given the stringent safety and quality requirements for tyres, the product certification process for our specialty rubber additives typically takes one to two years.

During the Track Record Period, we successfully completed the certification processes for various products and SKUs, demonstrating the consistent quality and reliability of our products as recognised by our customers. These successful verifications also reflect the strong recognition of our technological capabilities and quality management systems by our major customers and support the deepening of our long-term business relationships with them.

PRODUCTION

Production planning

We generally make production plans based on estimated sales. Our sales department would, on a monthly basis, formulate a three-month rolling plan based on market conditions and the annual budget and we would make production plan for the following month based on such plan. We also take into consideration the need to maintain sufficient inventory in preparation for urgent demand from our customers and mitigate any unexpected supply shortages of raw material or other events. After the monthly production plan is confirmed, each of our production bases will then arrange its daily production schedule for each production line based on its production capacity and conditions. We closely monitor the implementation of our production plan and promptly make any necessary adjustments in the event of any unexpected circumstances such as delays in supply of raw materials and production disruption.

Production process

The diagrams below illustrate the key production processes for our major products:

Photoresists

The production process includes the following key steps:

(i) Raw material preparation: Prepare solid components and solvent in accordance with specific formulation and specification.

(ii) Mixing and blending: Adding high-purity solvents into the mixing tank under controlled environment and gradually adding solid resin and other additives, maintaining specific temperature and timing until all solids are dissolved and forming clear solution

(iii) Performance testing: After the mixed solution has been aged for a defined period, we will take samples for performance testing.

(iv) Filtration and purification: conducting pre-filters and ultrafine final filters to the qualified solution to remove gels, sub-micron particles, and residual metal-bearing contaminants.

(v) Packaging: Fill the filtered photoresist into specific bottles to prevent contamination and solvent loss and store under appropriate conditions.

Phenolic resins

The production process includes the following key steps:

(i) Formulation of raw materials: Preparing and mixing of raw materials (mainly include phenol (苯酚), isobutylene (異丁烯) and formaldehyde (甲醛) etc.) in accordance with specified ratios and formulation.

We also produce PTBP as one of the upstream raw materials of our PTBP tackifying resin. PTBP is produced through an alkylation reaction (烷基化反應) between phenol (苯酚) and isobutylene (異丁烯) in the presence of acid catalysts.

(ii) Catalytic condensation reaction: Catalysts are added to the raw materials, and the mixture then undergoes polymerisation (聚合反應) at controlled temperatures, forming resin structures through addition and condensation reactions.

(iii) Dehydration: Water generated during the reaction are removed through distillation.

(iv) Cooling and solidification: Resins are cooled and solidified to control molecular weight and viscosity

(v) Granulation and drying: Solidified resins are processed into granules of the required particle size. Moisture is removed through hot air or vacuum drying to meet the required specifications.

(vi) Packaging: The finished product is packaged and stored under appropriate conditions.

PBAT

The production process includes the following key steps:

(i) Raw material preparation and esterification: Preparation of raw materials (mainly include purified terephthalic acid (PTA), adipic acid (AA) and an excess amount of 1,4-Butanediol (BDO)) and the addition of suitable catalysts etc. to carry out esterification under specified reaction conditions.

(ii) Pre-polycondensation (預縮聚): Conduct pre-polycondensation reaction under controlled conditions (including temperature and vacuum) to remove water and excess BDO to attain required molecular weight and viscosity range.

(iii) Chain extension (擴鏈): Further reaction of pre-polymerized PBAT under controlled temperature and vacuum until reaching the required specifications.

(iv) Granulation: Cooling the materials and cutting them into uniform pellets. Drying and cooling the pellets to prevent them from sticking to each other.

(v) Packaging: Packing the PBAT pellets and storing them under appropriate conditions.

Production facilities

As at the Latest Practicable Date, we had seven production facilities, a summary of which is set forth in the following table:

Production facilities	Location	Gross floor area *(sq.m.)*	Major product(s)	Year of commencement	Land/ property right
RA Chemical factory	Shanghai	46,961.09	Rubber resins and additives, PBAT	2012	Owned
Sino Legend factory	Zhangjiagang	28,122.13	Rubber resins and additives	2008	Owned
RA Zhenjiang factory	Zhenjiang	10,742.11	Electronic resins and additives	2021*(Note)*	Owned
RA Electronic factory	Shanghai	25,586.68	Semiconductor photoresists, high-purity solvents	2023	Owned
BAE (Hubei) factory	Hubei	18,913.80	Display photoresists	2022*(Note)*	Owned
Kempur factory	Beijing	9,321.13	Semiconductor photoresists	2021*(Note)*	Owned
RA Changzhou factory	Changzhou	7,253.71	CMP Polishing pads	2024	Leased

Note: As each of the RA Zhenjiang factory, BAE (Hubei) factory and Kempur factory was established prior to our acquisition of the controlling interests in the respective subsidiary, the year of commencement of the respective factory represents the year of such acquisition.

Production capacity and utilisation rates

The table below sets forth a summary of our production capacity for our main products by each of our five major production facilities, namely, the RA Chemical factory, the Sino Legend factory, the RA Zhenjian factory, the RA Electronic factory and the BAE (Hubei) factory, and their utilisation rates:

	Designed production capacity[1] *(tonnes)*			Actual production volume *(tonnes)*			Utilisation rate (%)		
	FY2023	FY2024	9M2025	FY2023	FY2024	9M2025	FY2023	FY2024	9M2025
RA Chemical factory									
— Rubber resins and additives	95,000	95,000	95,000	52,332	58,111	46,035	55.1	61.2	48.5
— PBAT	60,000	60,000	60,000	8,747	9,235	1,770	14.6	15.4	3.0[2]
Sino Legend factory[3]									
— Rubber resins and additives	72,000	72,000	72,000	79,371	82,133	57,268	110.2	114.1	79.5

	Designed production capacity[1] (tonnes)			Actual production volume (tonnes)			Utilisation rate (%)		
	FY2023	FY2024	9M2025	FY2023	FY2024	9M2025	FY2023	FY2024	9M2025
RA Zhenjian factory									
— Electronic resins and additives	40,000	40,000	40,000	11,249	15,073	12,699	28.1	37.7	31.7
RA Electronic factory[4]									
— Semiconductor photoresists	1,000	1,000	1,000	3	61	141	0.3	6.1	14.1
— High-purity solvent	18,800	18,800	18,800	7	212	574	0.0	1.1	3.1
BAE (Hubei) factory									
— Display photoresists	6,000	6,000	6,000	3,682	5,094	4,400	61.4	84.9	73.3

Notes:

(1) The designed production capacity is based on the approved production capacity of the production facilities.

(2) During the Track Record Period, the production line of PBAT at the RA Chemical factory was temporarily suspended from time to time due to low market demand. As a result, the utilisation rate of such production line has remained low during the Track Record Period.

(3) During FY2023 and FY2024, the utilization rate of our Sino Legend factory exceeded 100% mainly due to increase in sales volume driven by market demand. During the Track Record Period, Sino Legend factory did not engage in over-capacity production exceeding 30% of the approved production capacity, over which could constitute a violation of laws or regulations or subject to administrative penalties. Under the Environmental Impact Assessment Law (《環境影響評價法》) and the Notice on Issuing the "List of Major Changes in Pollution-Affecting Construction Projects (Trial)" issued by the General Office of the Ministry of Ecology and Environment (《生態環境部辦公廳關於印發〈污染影響類建設項目重大變動清單(試行)〉的通知》), an excess capacity ratio of no more than 30% does not constitute a major change to the approved construction project that may otherwise require re-compliance of the requisite environmental impact assessment procedures. Therefore, as advised by the PRC Legal Adviser, our Sino Legend factory was not required to undertake renewed environmental impact assessment procedures as a result of its over-capacity production there.

(4) The RA Electronic factory had a lower utilisation rate in the Track Record Period as it was newly established and only commenced trial production in September 2023. Given that semiconductor photoresists and high-purity solvents generally require a relatively long product certification period, the utilisation rate of the RA Electronic factory increased gradually during the Track Record Period.

Production machinery and equipment

Our major production machinery and equipment mainly include reaction vessels (反應釜), distillation tower (蒸餾塔), large-scale storage tank and other electronic testing equipment, most of which are owned by us. We mainly sourced our machinery and equipment from manufacturers in the PRC. For the depreciation method of our machinery and equipment, please refer to the section headed "Appendix I — Accountants' Report — Note 2.3" in this document.

We conduct regular maintenance of our machinery and equipment. We generally carry out maintenance at intervals of approximately one to three years, depending on the specific type and condition of the equipment and instrument. During the Track Record Period, we

did not experience any insufficiency of machinery or equipment or malfunctioning of machinery or equipment which would have had a material impact on our business, financial condition or results of operations.

QUALITY CONTROL

We place great emphasis on the quality of our products, which we believe is vital to our operations, and we strive to maintain high standards through a robust quality management system, which is developed in alignment with IATF16949, ISO9001, ISO45001 and ISO 14001 standards. Our quality control department is the primary entity responsible for quality management and supervision for the entire process of our operations, from supply to production and further to procurement and inventory management.

- ***R&D management:*** The team is responsible for organizing and executing all forms of verification and validation, along with preparing and updating various inspection procedures. They regularly summarize quality records and conduct data analysis to foster continuous improvement and ensure adherence to our standards.
- ***Supplier quality management:*** We have implemented a robust supplier onboarding management system with clearly defined supplier qualification principles. Suppliers are selected against a stringent set of criteria to ensure sustained compliance with our standards. We have formulated precise specifications for all raw materials and strictly implement incoming material inspections as well as sample testing. In addition, we conduct comprehensive qualification assessments on shortlisted suppliers to evaluate their technical capabilities.
- ***Product quality management:*** We perform various quality inspection and testing procedures at different stages of our operations. This ensures that our products meet the relevant quality standards and comply with applicable laws and regulations. Upon delivery, all products undergo rigorous inspections aligned with our established quality management standards. We verify that each product adheres to the sales specifications effective at the time of shipment to customers, providing an assurance of quality and compliance.
- ***Customer service quality management:*** We have implemented a procedure to efficiently resolve customer complaints. Across the full product lifecycle spanning design, R&D, manufacturing and delivery, customer feedback is systematically managed, fulfilling our commitment to customer satisfaction.

SALES AND MARKETING

Geographical distribution

During the Track Record Period, our products were mainly sold in the PRC. In FY2023, FY2024 and 9M2025, approximately 81.3%, 81.0% and 81.2% of our total revenue was generated from sales in the PRC. During the Track Record Period, we also sold our products worldwide covering more than 40 countries and regions worldwide. In FY2023, FY2024 and 9M2025, our overseas sale accounted for approximately 18.7%, 19.0% and 18.8% of our total revenue, respectively.

The following table sets forth the breakdown of our revenue by geographical regions, based on the locations of our customers, during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
PRC	2,388,611	81.3	2,644,288	81.0	1,966,045	81.3	2,045,163	81.2
Southeast Asia	222,462	7.6	254,915	7.8	181,160	7.5	208,328	8.3
Japan and Korea	132,340	4.5	157,432	4.8	109,310	4.5	108,795	4.3
Others*(Note)*	193,921	6.6	206,745	6.3	163,126	6.7	155,185	6.2
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Notes: Others mainly include (but not limited to) India, Europe and America.

Our Sales Channels

We have established a sales model in which our products are mainly sold through direct sales channels, with additional sales made through resellers. The table below sets out a breakdown of our revenue by sales channel during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct customers	2,683,609	91.4	2,980,059	91.3	2,214,303	91.5	2,276,994	90.5
Resellers	253,725	8.6	283,321	8.7	205,338	8.5	240,477	9.5
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Direct Sales

We mainly supply our products to downstream customers through direct sales. During FY2023, FY2024 and 9M2025, revenue generated from direct sales represent approximately 91.4%, 91.3% and 90.5% of our total revenue, respectively. We had 578, 572 and 628 direct sales customers in FY2023, FY2024 and 9M2025, respectively, which were mainly tyre, semiconductors and display panel manufacturers. Adopting a direct sales model enables us to precisely understand and respond to customer needs, allowing us to offer tailored services that meet our customers' specific requirements. We remain focused on building a direct sales customer base that includes key industry players in both the PRC and overseas markets.

Indirect Sales

We have conducted a small portion of our sales to customers who are resellers, who, to the best of our knowledge, may on-sell our products to their downstream customers. In FY2023, FY2024 and 9M2025, the revenue from our sales to the resellers amounted to RMB253.7 million, RMB283.3 million and RMB240.5 million, respectively, representing 8.6%, 8.7% and 9.5% of the total revenue for the same years/periods, respectively. During FY2023, FY2024 and 9M2025, we sold our products to 32, 33 and 33 resellers, respectively. As compared to FY2023, we entered into transactions with two new resellers and ceased to have business transaction with one reseller during FY2024. On the other hand, we entered into transactions with three new resellers and ceased to have business transactions with three resellers during 9M2025, as compared to FY2024. We primarily sell our products to our resellers in order to more effectively serve overseas markets and to expand our

geographic coverage and customer reach in a cost-effective manner, as the resellers would typically provide localized services, including import formalities, local logistics and warehousing services to the downstream customers. During the Track Record Period, we sold our products to resellers in regions such as the PRC, Japan, South Korea, India and Southeast Asia. As confirmed by F&S, it is not uncommon for chemical materials manufacturers to conduct part of their sales through resellers to leverage on their sales networks, local market knowledge and customer relationships.

We treat the resellers under our indirect sales model as our customers. We supply and deliver products to locations specified by such resellers, and at such point, control over the products would be transferred to them. Revenue from goods sold under the indirect sale model is recognized using the same principles as those applied in our direct sales model. We do not enter into long-term agreement with the resellers and major terms of our purchase orders with the resellers are generally the same as those of our direct sales customers. Under our purchase orders with the resellers, there were no terms (a) requiring a minimum purchase amount or imposing a minimum sales target; (b) restricting the appointment of sub-distributors; and (c) mandating selling prices to any sub-distributor (if any) or their downstream customers. We do not generally accept return of unsold products, except in specific circumstances such as product defects or quality issues caused by us. Please refer to the paragraph headed "Sales and marketing — Product returns and warranty" in this section for further details.

On the basis that (i) we do not impose minimum purchase amount or sale target on the resellers; (ii) we do not generally accept return of unsold products from the resellers except for quality issues; and (iii) the relationships between us and the resellers are categorised as seller-buyer relationship on a "buy-out" basis, we consider that the risk of channel stuffing in respect of our sales to the resellers is low.

Before commencing our business relationship with the resellers, in addition to their background, we would also evaluate their regional marketing resources, industry knowledge, familiarity with local customer needs and track record of creditworthiness and customer feedback. We conduct rigorous reviews of our business relationship with the resellers through regular assessment, including evaluation on metrics such as sales volume, revenue, market share, and new product development.

To the best of our knowledge, as at the Latest Practicable Date, all of our resellers are Independent Third Parties. To the best of our knowledge, other than the ordinary business relationships, there is no other relationship between the resellers and each of our Company, our subsidiary, our Shareholders who owned 5% or more of the total issued Shares, Directors or senior management or any of their respective associates.

Major terms of typical sale and purchase agreements with our customers

We do not generally enter into long-term agreement with our customers. We generally enter into separate purchase orders with our customers on an order-by-order basis.

Terms of each purchase order may vary. Set out below are the salient terms of typical purchase orders entered into with our customers:

- ***Duration:*** We generally enter into separate purchase order with our customers for each order.
- ***Pricing policy:*** The purchase order generally set out the unit price and the total contract price (including and excluding VAT).

- ***Payment and credit term:*** We generally require our customers to make prepayment prior to delivery or pay within 10 days to 90 days on delivery or following the issuance of invoice.
- ***Logistics:*** We are generally responsible for delivering our products to locations, ports or terminals as designated by our customers, depending on the terms of sales of the individual orders.
- ***Return arrangements:*** We typically do not allow product return except for limited reasons related to product quality issues.
- ***Termination:*** The purchase order may be terminated upon the mutual consent between our customers and us.

Pricing Policy

We regularly monitor the prevailing market prices and industry pricing trends to ensure the sustainability and profitability of our operations. The sales team formulates product prices in a comprehensive manner by considering multiple key factors, including (i) raw material cost, (ii) market demand; (iii) prevailing market price, and (iv) our sales strategy.

Logistics and delivery

During the Track Record Period, we utilized qualified third-party logistics service providers to handle the transportation of our finished goods from our production plants to locations designated by customers. Once our finished products have undergone production inspection and are stored in the warehouse, our system aligns the shipping plan with sales orders and assigns transportation responsibilities to the appropriate logistics providers based on customer destinations. We select third-party logistics service providers through an internal comparison system to conduct automated comparisons of quotations submitted by logistics providers, considering factors such as past performance, operational capabilities and collaboration track record to determine their respective scope and regions of service. We establish stringent transportation standards that these logistics providers must adhere to, and we assess their compliance and performance monthly to ensure efficient and reliable delivery of our products.

Our arrangements with third-party logistics service providers enable us to deliver products in a fast and efficient manner, while reducing our capital expenditure and mitigating risks associated with traffic accidents, delivery delays and product loss for which we would otherwise be liable. We monitor each order in accordance with the delivery timelines specified in the contracts and require logistics providers to upload customer receipt confirmations in real time. Delivery delays are very rare, where such incidents do occur, they are typically due to extreme weather, traffic congestion, or temporary road closures. In such instances, both the logistics providers and our logistics department will issue advance warnings, communicate with the affected customers, and develop appropriate contingency plans.

Product returns and warranty

We normally grant our customers a warranty period of nine to 12 months. We typically do not allow our customers to return products to us, except under certain circumstances in relation to quality issues, our customers may request return or replacement of such defect

products. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product returns or claims from our customers with respect to product defects or quality issues.

Customer complaints policies

We have established a sound complaint handling process to ensure that customer complaints are handled in a timely and fair manner. Customer complaints are generally initiated by the customer's quality control department by issuing a complaint report to our sales team. Upon receiving the report, our sales team will promptly submit it to the quality control department of the corresponding production plant for handling. The production plant will conduct a thorough internal analysis to identify the root cause of the complaint and issue a report to provide formal feedback to the customer. Once the customer confirms that the identified problem has been effectively improved and resolved, the complaint will be officially closed.

We prioritize clear communication and effective response strategies to manage customer feedback efficiently. Our sales team actively engages with customers to ensure that their concerns are addressed satisfactorily and that they receive timely updates throughout the resolution process. This commitment to transparency reinforces our dedication to quality and service excellence.

After-sales support services

We have developed a high-quality after-sales service and customer support team. In the event that our products have any defect or quality issue, we will arrange for replenishment or replacement within the specified timeframe upon receipt of customer notification. We regard premium after-sales service as pivotal to our success, as it optimizes the product value chain and elevates satisfaction levels among both customers and end-users. To maintain effective communication with our customers, we conduct regular after-sales satisfaction surveys, gathering feedback through our sales team. For any unsatisfactory feedback and suggestions raised by customers, our customer service department will convene cross-functional meetings with relevant departments to conduct a thorough assessment and analysis and discuss targeted response measures. Where the quality issue is attributable to our products, we commit to resolving it promptly in accordance with the customer's requirements, or fulfilling restocking or replacement within the timeframe requested by the customer.

Seasonality

We experience seasonal fluctuations in the demand for our rubber additives and other chemical products segment. We have historically experienced, and expect to continue to experience, a decrease in demand during July and August due to routine summer maintenance activities undertaken by our tyre manufacturers clients. To effectively manage these seasonal characteristics, we proactively engage with our clients to understand downstream demand changes, allowing us to prepare for production and inventory management well in advance.

During the Track Record Period, our electronic chemicals and fully biodegradable materials businesses have no obvious cyclical or seasonal fluctuation.

Marketing

Our marketing strategy focuses on emphasizing our core competitive advantage: the synergistic combination of technology, service, and scale, which strategically positions us favorably against both domestic and international peers. We have positioned our brand as a leading integrated service provider of new materials, emphasizing our core values of innovation, sustainability, and reliability. This strategic positioning has cultivated a strong brand reputation in both the tyre and semiconductor industries.

Complementing our dedicated internal sales and marketing team, our product promotion strategy is multifaceted, involving participation in industry events and leveraging customer referral channels. New products are promoted through technical exchanges with customers and presentations at industry conferences, while we enhance overseas brand awareness through sales visits, international exhibitions, and collaborations with local resellers. In the rubber additives segment for tyres and other chemical products segment, we strengthen our partnerships with our customers through joint research and development initiatives and customized production. Our collaborations with major domestic and international clients further amplify our global brand presence.

Looking ahead, we will intensify international market promotion by establishing overseas subsidiaries and production bases, enabling more responsive, localized supply and services to customers worldwide.

OUR CUSTOMERS

During the Track Record Period, our customers mainly comprised mainly tyre manufacturers, semiconductors and display panel manufacturers. In FY2023, FY2024 and 9M2025, we have a total of 610, 605 and 661 customers, respectively.

Top five customers

In FY2023, FY2024 and 9M2025, revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB829.4 million, RMB926.6 million and RMB752.7 million, representing approximately 28.1%, 28.4% and 29.9% of our total revenue for the respective years/period, while the largest customer in each year/period during the Track Record Period contributed 11.3%, 11.7% and 10.7% of our total revenue, respectively, for the same years/period.

The following tables set forth details of our top five customers during the Track Record Period.

FY2023

Ranking	Customer	Products sold	Year of commencement of business relationship	Credit terms	Payment method	Revenue	Percentage of total revenue
						(RMB'000)	*(%)*
1	Customer Group A[(1)]	Rubber additives	2015	up to 75 days	Bills and bank transfer	333,107	11.3
2	Customer Group B[(2)]	Electronic chemicals	2020	90 days	Bank transfer	241,986	8.2
3	Customer/Supplier Group C[(3)]	Rubber additives and Fully biodegradable materials	2009	up to 90 days	Bank transfer	113,703	3.9
4	Customer Group D[(4)]	Rubber additives	2019	10 days	Bills and bank transfer	71,667	2.4
5	Customer Group E[(5)]	Rubber additives	2015	up to 90 days	Bills and bank transfer	68,898	2.3
					Total	**829,361**	**28.1**

Notes:

(1) Customer Group A is a group of companies headquartered in the PRC that engages in the manufacturing, research and development of tyres. Customer Group A was founded in 1958 and listed on the Shanghai Stock Exchange, and is one of the top 10 tyre companies in the world. As at the Latest Practicable Date, we held 8.03% in the shares in a member of Customer Group A (which was the holding company of the other members within Customer Group A) ("**Customer Group A Holdco**"). In addition to our interests in Customer Group A Holdco, as at the Latest Practicable Date, Ms. Zhang, our executive Director and chairperson of our Board, was also indirectly interested in approximately 1.13% of the total issued share capital, and acted as a director of Customer Group A Holdco.

(2) Customer Group B is a group of companies headquartered in the PRC that engages in the manufacturing, research and development of semiconductors and are held by a company listed on the Shenzhen Stock Exchange in 2001.

(3) Customer/Supplier Group C is a group of companies headquartered in Japan that engages in the trading, investment and manufacturing in sectors such as automobiles, energy, chemicals, food, and infrastructure, which was listed on the Tokyo Stock Exchange. Customer/Supplier Group C is also our supplier during the Track Record Period. For details, please refer to the paragraph headed "Overlapping of customers and suppliers" in this section.

(4) Customer Group D is a group of companies headquartered in the PRC that engages in the research, development and manufacturing of polyurethane, petrochemical, fine chemical, new materials, and new energy materials, which was listed on the Shanghai Stock Exchange in 2001.

(5) Customer Group E comprises two companies that engages in the manufacturing, research and development of tyres, one of which was founded in 1958 and listed on the Shenzhen Stock Exchange, and a major tyre company in the PRC.

FY2024

Ranking	Customer	Products sold/ Services provided	Year of commencement of business relationship	Credit terms	Payment method	Revenue *(RMB'000)*	Percentage of total revenue *(%)*
1	Customer Group A	Rubber additives	2015	up to 75 days	Bills and bank transfer	382,584	11.7
2	Customer Group B	Electronic chemicals	2020	90 days	Bank transfer	267,458	8.2
3	Customer/Supplier Group C	Rubber additives and Fully biodegradable materials	2009	up to 90 days	Bank transfer	112,788	3.5
4	Customer Group F[(1)]	Rubber additives	2009	up to 90 days	Bills and bank transfer	85,357	2.6
5	Customer Group E	Rubber additives	2015	up to 90 days	Bills and bank transfer	78,437	2.4
					Total	**926,624**	**28.4**

Notes:

(1) Customer Group F is a group of companies headquartered in the PRC that engages in the manufacturing, research and development of tyres, which was listed on the Shanghai Stock Exchange in 2011.

9M2025

Ranking	Customer	Products sold/ Services provided	Year of commencement of business relationship	Credit terms	Payment method	Revenue *(RMB'000)*	Percentage of total revenue *(%)*
1	Customer Group A	Rubber additives	2015	up to 75 days	Bills and bank transfer	268,742	10.7
2	Customer Group B	Electronic chemicals	2020	90 days	Bank transfer	247,998	9.9
3	Customer/Supplier Group C	Rubber additives and Fully biodegradable materials	2009	up to 90 days	Bank transfer	94,326	3.7
4	Customer Group F	Rubber additives	2009	up to 90 days	Bills and bank transfer	80,377	3.2
5	Customer G[(1)]	Rubber additives	2022	60 days	Bills and bank transfer	61,291	2.4
					Total	**752,734**	**29.9**

Note:

(1) Customer G is a company established in the PRC in 2016 with a registered capital of USD0.2 million, and engages in the wholesale, import and export of chemical raw materials and products. Certain companies under the same group as Customer G were our suppliers during the Track Record Period. For details, please refer to the paragraph headed "Overlapping of customers and suppliers" in this section.

All of our five largest customers during the Track Record Period were Independent Third Parties. Save as disclosed, as at the Latest Practicable Date, to the best of our knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers during the Track Record Period.

PROCUREMENT AND SUPPLY

Raw Materials and Procurement

We procure a variety of materials and equipment necessary for the production of our products. The principal raw materials used in our production include phenolic resins (酚醛樹脂) include phenol (苯酚), alkylphenol (烷基酚), isobutene (異丁烯), diisobutylene (二異丁烯), resorcinol (間苯二酚) and formaldehyde (甲醛), most of which are derived from the petrochemical and other basic chemical industries. In FY2023, FY2024, 9M2024 and 9M2025, our cost of raw materials amounted to RMB1,813.2 million, RMB1,999.1 million, RMB1,461.2 million and RMB1,557.1 million, respectively, according for 80.5%, 81.0%, 81.0% and 82.7% of our cost of sales for the respective periods. We mainly procure our production materials from the PRC. We also procure certain raw materials from overseas countries and regions such as Japan and Vietnam.

We have an internal procurement department responsible for the procurement of raw materials, which formulates procurement plans based on the production schedule and inventory levels. Prior to entering into supply agreements with our raw material suppliers, we conduct due diligence on shortlisted qualified candidates and review their operational history, performance track records and market reputations. We also obtain various product samples from potential suppliers for inspection and testing by our quality control department and conduct on-site audits of their production facilities to ensure that the suppliers fully meet our quality standards. We generally select three or more suppliers to participate in the bidding process before formalizing a cooperative relationship with the supplier. Our procurement department then enters into procurement agreements and places purchase orders, tracks the execution process of the procurement agreements, and ensures timely delivery of the purchased materials. Upon receipt of the raw materials, we conduct inspections and examinations and retain the right to reject or return any supplies that do not meet our quality standards.

To manage the fluctuation of raw material prices, we closely monitor market trends and adjust our procurement strategy accordingly to minimize the effects of price volatility. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material fluctuations of raw material prices nor any material shortage or delay in the supply of raw materials.

OUR SUPPLIERS

During the Track Record Period, we primarily purchase raw materials from suppliers engaging in the processing of fossil fuels and trading of electronic and/or chemical products.

Supply chain management

In order to ensure the quality of the raw materials, we have established a supplier management policy to select the most suitable suppliers according to our procurement plans. We maintain a list of qualified suppliers to facilitate our selection of the most suitable raw materials suppliers based on selection criteria including technological

expertise, infrastructure and equipment, product quality, product stability, credentials, reputation, and after-sales service. We implement stringent supplier management protocols. Our evaluation process for prospective suppliers involves batch quality assessments, timely delivery evaluation and regulation on-site audits of suppliers' manufacturing facilities. We rate our suppliers based on their performance, allowing us to eliminate any that do not meet our standards.

In addition to assessing new suppliers, we conduct annual assessments of our existing suppliers through on-site inspections. We require our suppliers to promptly rectify any issues identified during these audits, and those who fail to take rectification measures in a timely manner will be removed from our list of qualified suppliers.

Our operations are not dependent on a single supplier. To guarantee stable supply of raw materials during the Track Record Period, we have established relationships with multiple suppliers to avoid overdependence. Our R&D center has also created contingency plans specifically to address raw material shortages or production interruptions and has implemented a comprehensive set of solutions for material substitution.

We typically enter into separate purchase orders with our suppliers on an order-by-order basis, while from time to time we also enter into long-term framework agreements with certain suppliers to ensure stable supply of key raw materials for our production. Set out below are the salient terms of our long-term agreements with our suppliers:

- ***Duration:*** The duration of our long-term framework supply agreements is typically one year.
- ***Supply of products:*** The supplier shall supply the ordered amounts of raw materials (subject to adjustment or further agreement between the parties) to us on a monthly basis
- ***Price:*** The price of products would be determined with reference to the market price at the time of delivery
- ***Delivery:*** We typically collect the products at locations designated by our suppliers and are responsible for arranging the subsequent delivery.
- ***Product return:*** We have the right to return products that are not in conformity with the agreed product specifications.

Top five suppliers

We primarily procure our raw materials in the PRC and overseas. In FY2023, FY2024 and 9M2025, purchases from our five largest suppliers amounted to RMB486.6 million, RMB556.8 million and RMB459.4 million respectively, representing 25.1%, 25.4% and 28.2% of our total purchases for the respective years/period. Purchases attributable to our largest supplier in FY2023, FY2024 and 9M2025 amounted to RMB108.0 million, RMB170.0 million and RMB104.9 million respectively, accounting for 5.6%, 7.7% and 6.4% of our total purchases respectively.

The following tables set forth details of our top five suppliers during the Track Record Period.

FY2023

Ranking	Supplier	Major products procured from the supplier	Year of commencement of business relationship	Credit terms	Payment method	Purchase amount *(RMB'000)*	Percentage of total Purchase *(%)*
1	Supplier Group A[(1)]	Chemical materials	2012	Prepayment	Bank transfer	108,001	5.6
2	Supplier Group B[(2)]	Chemical materials	2013	10–15 days after month end	Bills and bank transfer	104,985	5.4
3	Customer/Supplier Group C[(3)]	Chemical materials	2009	up to 90 days	Bank transfer	98,438	5.1
4	Supplier D[(4)]	Chemical materials	2015	Prepayment	Bank transfer	91,378	4.7
5	Supplier E[(5)]	Chemical materials	2016	10 days after month end	Bills	83,776	4.3
					Total	**486,578**	**25.1**

Notes:

(1) Supplier Group A comprises two companies that engage in the sale of advanced materials such as high-purity chemicals, engineering plastics and medical-grade polymers, one of which was established in 2009 with a registered capital of USD2 million; and the other of which was established in 2005 with a registered capital of USD0.5 million.

(2) Supplier Group B comprises two companies established principally engaged in wholesale business involving chemical products, electronic products and metal materials, one of which was established in 2001 in the PRC with a registered capital of RMB15 million; and the other of which was established in 2011 in Hong Kong.

(3) Customer/Supplier Group C is a group of companies headquartered in Japan that engages in the trading, investment and manufacturing in sectors such as automobiles, energy, chemicals, food, and infrastructure, which was listed on the Tokyo Stock Exchange. Customer/Supplier Group C is also our customer during the Track Record Period. For details, please refer to the paragraph headed "Overlapping of customers and suppliers" in this section.

(4) Supplier D is a company established in the PRC in 2001 with a registered capital of RMB311.5 million, and engages in the processing of petroleum, coal, and other fuels.

(5) Supplier E is a company established in the PRC in 2011 with a registered capital of RMB0.5 million, and engages in the sale of chemicals, plastic products, and rubber products.

FY2024

Ranking	Supplier	Major products procured from the supplier	Year of commencement of business relationship	Credit terms	Payment method	Purchase amount *(RMB'000)*	Percentage of total Purchase *(%)*
1	Supplier D	Chemical materials	2015	Prepayment	Bank transfer	170,009	7.7
2	Supplier Group B	Chemical materials	2013	10–15 days after month end	Bills and bank transfer	133,220	6.1
3	Supplier Group A	Chemical materials	2012	Prepayment	Bank transfer	113,449	5.2
4	Supplier F*(Note)*	Chemical materials	2014	up to 30 days from delivery date	Bills	71,627	3.3
5	Supplier E	Chemical materials	2016	10 days after month end	Bills	68,458	3.1
					Total	**556,763**	**25.4**

Note: Supplier F is a company established in the PRC in 2014 with a registered capital of RMB10 million, and principally engaged in the trading of chemical raw materials and products.

9M2025

Ranking	Supplier	Major products procured from the supplier	Year of commencement of business relationship	Credit terms	Payment method	Purchase amount *(RMB'000)*	Percentage of total Purchase *(%)*
1	Supplier D	Chemical materials	2015	Prepayment	Bank transfer	104,911	6.4
2	Supplier Group B	Chemical materials	2013	10–15 days after month end	Bills and bank transfer	102,260	6.3
3	Supplier Group G*(Note)*	Electronic materials	2021	45 days from delivery date	Bank transfer	100,529	6.2
4	Supplier Group A	Chemical materials	2012	Prepayment	Bank transfer	91,366	5.6
5	Supplier F	Chemical materials	2014	up to 30 days from delivery date	Bills	60,358	3.7
					Total	**459,424**	**28.2**

Note: Supplier Group G comprises five companies representing Asia-pacific offices of a multinational group engaging in the fields of high-performance materials, electronic materials and industrial chemicals which is listed on the New York Stock Exchange.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year/period comprising the Track Record Period as of the Latest Practicable Date.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, two of our five largest customers, being Customer/Supplier Group C and Customer G, were also our suppliers. Customer/Supplier Group C is a Japanese conglomerate with operations across multiple sectors, who mainly purchased rubber additives and biodegradable materials from us as a reseller for onward sales to Japan, and supplied us with chemical materials. Customer G is a company established in the PRC which mainly purchased catalysts from us as a reseller for onward sales. On the other hand, certain companies under the same group as Customer G, a multi-national manufacturer of metal-based chemicals, supplied us with chemical materials.

The total revenue we generated from Customer/Supplier Group C amounted to RMB113.7 million, RMB112.8 million and RMB94.3 million in FY2023, FY2024 and 9M2025, representing approximately 3.9%, 3.5% and 3.7% of our total revenue for the respective year/period. On the other hand, our purchases from Customer/Supplier Group C amounted to RMB98.4 million, RMB35.4 million and RMB16.2 million in FY2023, FY2024 and 9M2025, representing 5.1%, 1.6% and 1.0%, respectively, of our total purchase for the same years/period.

The total revenue we generated from Customer G amounted to RMB31.7 million, RMB55.3 million and RMB61.3 million in FY2023, FY2024 and 9M2025, representing approximately 1.1%, 1.7% and 2.4% of our total revenue for the respective year/period. On the other hand, our purchases from companies under the same group as Customer G amounted to RMB37.3 million, RMB50.6 million and RMB41.3 million in FY2023, FY2024 and 9M2025, representing 2.0%, 2.3% and 2.5%, respectively, of our total purchase for the same years/period.

Negotiations of the terms of our sales to and purchases from this overlapping customer and supplier were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from the overlapping customer and supplier were conducted in the ordinary course of business under normal commercial terms and on an arm's-length basis.

INVENTORY MANAGEMENT

Our inventory comprises raw materials, work-in-progress and finished goods. As at 31 December 2023 and 2024 and 30 September 2025, our inventory level (after provision) amounted to approximately RMB430.7 million, RMB486.2 million and RMB511.3 million, respectively. Our average inventory turnover days for each of FY2023, FY2024 and 9M2025 was 68 days, 70 days and 73 days, respectively.

We have implemented an effective inventory control system that fosters close collaboration among various functional departments, including sales, procurement and production. Our sales team provide a rolling forecast of customer purchasing plans for the upcoming three months to both the procurement and production teams, allowing us to efficiently align our raw material sourcing and production schedules in advance. For details, please refer to the paragraph headed "Production — Production planning" in this section. We would formulate safety stock requirements for raw materials based on the production patterns of each production plant. The procurement department would make arrangements to schedule purchase orders taking in account such stock requirements and the lead times of different raw materials.

We regularly review and assess the need to make provision on our inventories based on their carrying amount and net realisable value. In FY2023, FY2024 and FY2025, we made provision for our inventories of RMB11.3 million, RMB11.9 million and RMB3.8 million, respectively.

RESEARCH AND DEVELOPMENT

We place strong emphasis on technological development and innovation. As at 30 September 2025, our R&D team consists of 302 dedicated personnel with approximately 83 individuals holding a master's or doctorate degree. For FY2023, FY2024 and 9M2025, we recorded R&D expenses of RMB179.8 million, RMB216.6 million and RMB177.4 million, respectively.

As at the 30 September 2025, we hold 402 registered patents in the PRC, including 268 invention patents, 132 utility model patents and two design patents for our innovations.

Our core technology and technical know-how

Set out below are the core technology and technical know-how required for our major products:

Photoresists

Our core technologies for the production of our photoresist products primarily relate to the design and precise control of key materials, advanced formulation engineering, and stringent manufacturing management. At the material level, this includes the structural design and performance control of the base resins and photosensitive components. At the formulation level, our core technical know-how lies in the design and optimization of the formulation of photoresist which would affect the coordination of its properties such as UV absorption, contrast, resolution and heat resistance. In addition, stable large-scale production and quality control technologies are indispensable, particularly ultra-clean manufacturing, filtration and purification processes for controlling trace metal ions and micro-particles, so as to ensure long-term consistency, low defectivity and high reliability in semiconductor manufacturing environments.

Photoresist resins

The production of photoresist resins requires a systematic and mechanistic understanding of the reactivity and structure-property relationships of different polymer backbones and functional groups, as well as the capability to rationally adjust and regulate the molecular structure of resins to satisfy the formation requirements of photoresist

formulation. Given the stringent requirements for the production of photoresist products, it places high demands on the process engineering and quality control in the manufacture of resins to ensure consistency in mass productions.

Given that photoresist systems impose exceptionally tight specifications on resin purity and lot-to-lot uniformity, resin manufacturing places very high demands on process engineering, including robust reaction scale-up, meticulous control of reaction kinetics and impurity profiles, and implementation of advanced in-process and final quality control regimes to ensure consistent mass production meeting semiconductor-grade standards.

Phenolic resins

There are different technical requirements for the structural composition and distribution of phenolic resins in different application scenarios. The core technology involves the adjustment of molecular structure and its distribution to meet the application needs of different scenarios. For example, in the rubber sector, we have to establish the mechanism of phenolic resins in rubber formulations in order to design the appropriate structure of the phenolic resin to synthesise relevant products that satisfy application requirements.

PTBP

Optical-grade PTBP has specific requirements regarding certain impurities. As such, it is necessary to control the entire synthesis process to meet these impurity standards. In addition, there are also requirements for the raw materials used in the synthesis.

PBAT

Our core technical know-how for the production PBAT products lies in the continuous polyester condensation reaction technology, particularly, the techniques in enhancing the effective molecular. In terms of knowledge on degradable molecular structure design, it includes the degradation cycle of the molecules under conditions such as industrial composting. In terms of structural design, in order to meet the application needs of certain specific scenarios, it is necessary to make fine adjustments to the structure to satisfy different requirements in processing and application.

R&D process

Our R&D process typically comprises four key states, including (i) planning; (ii) development and review; (iii) product verification; and (iv) mass production. From initial concept design through to achieving stable mass production of a technology, the full product development cycle generally requires approximately two years.

The planning process is initiated through two principal pathways. Under the sales-driven pathway, our product management department would from time to time identify innovation opportunities based on customer feedback and market demand and relay such findings to our R&D department for further development planning. Alternatively, new product development plans may be driven by internal R&D initiative, where our R&D personnel would conduct market studies and preliminary technical research to assess emerging needs and define potential product directions.

During the development and review stage, our R&D team would conduct sample preparation and produces multiple prototype formulations for evaluation. Internal departments, including product management, production and R&D, collaborate on raw material procurement, the consolidation of technical input and requirements, and the execution of performance and reliability testing.

We collaborate with our downstream customers in the product verification stage. Given the technological requirements of our products, we are generally required to go through product verification process by our customers. For details, please refer to the paragraph headed "Business operations — Product certification by our customers" in this section. Upon the completion of product certification, the product is finalized and transferred to mass production for commercial release. All relevant internal departments coordinate to supervise the manufacturing process, implement stringent quality control measures and manage customer orders and delivery arrangements.

R&D facilities and equipment

We have established our R&D centers in Beijing and Shanghai, focusing on the development of formulations for rubber additives, functional materials and electronic chemicals, as well as conducting testing in respect of the application of various materials. In addition, it has been our R&D initiative to integrate the development of electronic grade resin, key raw materials for photoresist and the application of electronic chemical products with a view to fostering the synergies between our R&D teams of semiconductors and display panel photoresist.

Our product development process requires various equipment, mainly include (i) general physicochemical analytical equipment, such as equipment for chemical, physical, and elemental analysis; (ii) performance testing equipment for electronic chemicals such as exposure machines, lithography machines and other specialized instruments for photoresist processing and characterization; and (iii) performance testing equipment for rubber products such as mixers, tensile testers hardness testers, abrasion testers, and various sample preparation and cutting machines. For example, the development of our photoresist products involves the use of reactor vessel (反應釜) to synthesize key components, exposure tool (曝光機) to expose photoresist samples to patterned light and ultraviolet absorption spectrometer (紫外吸收儀) to measure the absorption of photoresists and raw materials at certain photosensitive wavelengths.

Collaboration

We would cooperate with leading universities and research institutes to jointly conduct R&D projects relating to our products and businesses from time to time. We typically enter into technology development agreements with such institutes, pursuant to which we would agree on the payment arrangements of the relevant R&D fees and the ownership of intellectual property rights on a case-by-case basis. As part of our integrated R&D strategy, we also collaborate closely with our customers in the R&D of different types of chemical materials and related technology.

Key R&D projects and achievements

During the Track Record Period, we were engaged in various R&D projects in relation to our products, major application sectors and other technical know-hows. For our R&D achievements during the Track Record Period, please refer to the paragraph headed "Our competitive strengths — Strong R&D capabilities that enable us to continuously deliver high-quality products" in this section. As at the Latest Practicable Date, some of our major on-going R&D projects include photoresists and supporting materials for advanced process nodes, photoresists and related materials for advanced packaging, G5-grade high-purity solvents and formulated process chemicals, high-resolution TFT positive photoresists and low-temperature photoresists and related resins for OLED production, as well as low-dielectric, high-sensitivity positive and negative organic film materials and related acrylic resins for LCD production. On the other hand, for phenolic resins, we are focusing on developing processes for sustainable and green phenolic resins. Furthermore, in respect of PBAT, we are developing raw materials with higher elongation performances according to customers' needs with respect to agricultural mulch films.

INSURANCE

We maintain a number of insurance policies to cover potential liabilities that may arise in our daily operations, including but not limited to public liability insurance, machinery breakdown insurance, environmental pollution liability insurance and work safety liability insurance. We believe our insurance policy covers major risks within our business, and our insurance policy is consistent with industry standards and complies with relevant rules and regulations set forth in PRC. Despite such, we may still be exposed to claims and liabilities that exceed our insurance policy. Please refer to the section headed "Risk factors — we may not have sufficient insurance coverage to cover our potential liability or losses" in this document.

COMPETITION

We primarily operate our business in semiconductor materials, display panel materials and rubber chemicals for automobile tyres industries. These industries are characterised by high technical barriers, substantial R&D investment, and a strong emphasis on product innovation and quality. The semiconductor materials industry has been historically dominated by international companies, with PRC manufacturers rapidly narrowing the gap through innovation and local capacity expansion. Display panel materials follow a similar pattern, with a few international players holding dominant market share, while PRC companies leverage technological advancement and cost competitiveness to strengthen their market position. In rubber chemicals for automobile tyres, there is intense competition on formulation expertise, supply chain integration, and product breadth, while increasingly focusing on high-performance and sustainable solutions. All three industries, including semiconductor materials, display panel materials, and rubber chemicals for automotive tyre, feature significant entry barriers due to high technical requirements, substantial R&D investment, and strict product validation processes.

We remain focused on leveraging our R&D capabilities, customer-centric strategies, industry experience and reputation and operational efficiency to maintain and strengthen our market position.

PROPERTIES

During the Track Record Period, we mainly operated our business through owned properties, land use rights and leased properties in the PRC. We primarily use our owned and leased properties as production facilities and office premises.

As at 30 September 2025, none of the properties held or leased by us had a carrying amount of 15% of more of our consolidated total assets and no single property interest forming part of our Group's property activities had a carrying amount of 1% or more of our total assets. As such, we are not required by Rule 5.01A(1) of the Listing Rules to include valuation reports in this document. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (WUMP) Ordinance as described in paragraph 34(2) of the Third Schedule to the Companies (WUMP) Ordinance, to include a valuation report with respect to all of our interests in land or buildings.

Owned properties

As at 30 September 2025, we owned a total of 32 properties within the PRC and we have obtained property ownership certificates and/or building ownership certificates for our owned properties, except the followings: (i) RA Chemical had not obtained the relevant building ownership certificate in respect of buildings with a total gross floor of approximately 22,951.1 sq.m.; and (ii) RA Zhenjiang had not obtained the relevant building ownership certificate in respect of buildings with a total gross floor area of approximate 10,742.1 sq.m.. As advised by our PRC Legal Adviser, the lack of building ownership certificates does not affect our normal use of the properties or subject us to any administrative penalty under applicable PRC laws and regulations, but it may affect the exercise of our rights in the transfer, mortgage or disposal of the underlying properties.

RA Chemical

During the Track Record Period, the production lines of rubber resins and additives and PBAT of the RA Chemical factory had been in use prior to obtaining the required acceptance of completed construction project. As advised by our PRC Legal Adviser, for a project delivered for use before obtaining the acceptance of completed construction project (竣工驗收), the relevant PRC governing authorities may order the entity to rectify and impose a fine in the range of 2% to 4% of the contraction contract price. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any penalties in respect of the above non-compliance of RA Chemical. As at the Latest Practicable Date, we had obtained the relevant acceptance of completed construction project.

On the basis that (i) RA Chemical had already obtained the relevant acceptance of completed construction project and the non-compliance had been rectified; and (ii) RA Chemical had obtained a credit report from the Shanghai Public Credit Information Service Centre (上海市公共信用資訊服務中心), which confirmed that during the period from 1 January 2023 to 14 January 2026, RA Chemical had no violation records in respect of planning and resources, housing, sub-rural development, ecological environment, work safety or fire safety, our PRC Legal Adviser is of the view that, barring any material change in the PRC policies and regulations and the implementation and regulatory requirements of the local governments, the risk that RA Chemical would be retrospectively fined by the

relevant government authority for commencement of operation prior to obtaining the acceptance of completed construction project is remote, and such non-compliance would not have any material adverse effect on the normal use and operation of the properties.

RA Zhenjiang

Among the properties of RA Zhenjiang, buildings with approximately 9,321.68 sq.m. were established prior to our acquisition of RA Zhenjiang in 2021 ("**Pre-acquisition Properties**"). As at the Latest Practicable Date, due to the lack of relevant records, we were unable to ascertain whether the Pre-acquisition Properties had obtained the relevant construction planning permit and construction commencement permit prior to their construction. In addition, the remaining buildings with approximately 1,420.43 sq.m. that were constructed after our acquisition of RA Zhenjiang had been in use prior to obtaining the required acceptance of completed construction project.

According to our PRC Legal Adviser, we may be subject to the followings due to the lack of relevant construction planning permit, construction commencement permit and/or acceptance of completed construction project in respect of the properties of RA Zhenjiang:

(i) in respect of construction works carried out without the relevant construction planning permit (建設工程規劃許可證), the relevant PRC government authority may order the cessation of construction. If the impact on planning caused by such construction can be eradicated, the relevant PRC government authorities may order the rectification of such impact within a specified time limit and impose a fine of 5% to 10% of the construction price. If such impact cannot be eliminated, the relevant PRC government authority may (i) order the construction entity to demolish the construction within a specified time limit; (ii) if the construction cannot be demolished, confiscate the buildings or structures or any income illegally earned from such properties; and/or (iii) impose a fine of not more than 10% of the construction price;

(ii) in respect of construction work carried out without the relevant commencement permit (施工許可證), the relevant PRC government authorities may order the construction entity to suspend the construction, rectify the behavior within a time limit and impose a fine between 1% and 2% of the contract price of the project; and

(iii) for a project delivered for use before obtaining the acceptance of completed construction project (竣工驗收), the relevant PRC governing authorities may order the entity to rectify and impose a fine in the range of 2% to 4% of the contraction contract price.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any penalties in respect of the above non-compliance of RA Zhenjiang. Based on (i) a credit report from the Jiangsu Public Credit Information Service Centre (江蘇市公共信用資訊服務中心) which confirmed that, during the Track Record Period, RA Zhenjiang had no violation records in respect of planning and resources, housing, sub-rural development, ecological environment, work safety or fire safety; and (ii) an interview conducted with the competent government authority, which had confirmed that they would not order RA Zhenjiang to demolish or cease its operation at the relevant buildings, or impose administrative penalties on RA Zhenjiang, and RA Zhenjiang may continue to use the buildings for its normal production and operation, our PRC Legal Adviser is of the view that, barring any material change in the PRC policies and regulations and the

implementation and regulatory requirements of the local governments, the risk that the relevant governemnt authority would impose administrative panalities on RA Zhenjiang with respect to the above non-compliances is remote, and such non-compliance incidents would not have any material adverse effect on the normal use and operation of the properties of RA Zhenjiang.

Based on the above, we consider that the non-compliances relating to the properties of RA Chemical and RA Zhenjiang would not have any material financial or operational impact on our Group. For further details on the risks associated with our owned properties, please see the section headed "Risk Factors — Risks relating to our business and our industry — We may be subject to administrative penalties with respect to non-compliance incidents of our owned properties" in this document.

Leased properties

As at 30 September 2025, we leased eight properties for our production and operation within the PRC, with an aggregate gross floor area of approximately 10,372.34 sq.m., which were mainly used as our office premises and production facilities. Our leases generally have lease terms ranging from one year to ten year(s).

Lease Registration

As at the Latest Practicable Date, the leases of our above leased properties had not been registered and filed with the relevant land and real estate administration bureaus in the PRC. As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or result in us being required to vacate the leased properties. However, the relevant government authorities may order us to rectify such non-compliances, failing which a fine ranging from RMB1,000 to RMB10,000 maybe imposed on each lease agreement that is not registered and filed. As such, the aggregate amount of the maximum fine in relation to the non-registration of the above leases will be approximately RMB80,000.

Having considered the above, we are of the view that the non-registrations of leases described above do not constitute material non-compliances and will not, individually or as a whole, materially affect our business and results of operations, on the basis that: (i) we have not received any notice from the competent authorities requiring us to complete the lease registration and filing; (ii) no penalty had been imposed on us for the non-registration of the leases; and (iii) we did not have any disputes with the respective landlord or receive any claim from any third party relating to such leased premises. We will further assess the relevant legal risk when renewing the relevant lease agreements upon their expiry.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We are committed to incorporating principles of environmental protection and corporate social responsibility into our business strategy to drive long-term value and business sustainability. Our corporate vision of "Promoting the Sustainable Development of The New Materials Industry in An Innovative and Responsible Manner" (以創新和負責任的方式推動中國新材料產業的可持續發展) demonstrates our approach to ESG which focuses on clean production processes with low energy consumption and minimal pollutant generation. We have been a member of the United Nations Global Compact, a corporate sustainability initiative by the United Nations since December 2022. We have joined the Alliance to End Plastic Waste (AEPW), a non-profit organisation advocating to create a circular economy for plastic. Notably, our Sino Legend factory achieved the EcoVadis

Platinum Award in the latest assessment cycle, securing the highest score within the industry in the PRC and standing as the sole recipient of this honor in the sector in 2026 as at the Latest Practicable Date. As part of our commitment to environmental protection, we have obtained the ISO 14001 Environmental Management certification and the IECQ Certificate of Conformity for Hazardous Substance Process Management.

Internally, we have also established a strong environmental protection framework within our systems such as setting corporate standards for each major pollutant, establishing internal policies for hazardous waste management and investing in on-site waste management facilities. As a supplier to the automotive industry, we have also attained the relevant IATF16949 automotive industry-specific quality management system certification, a leading international quality management standard for the automotive industry, in addition to our ISO9001 quality management certification.

ESG governance structure

We have an established ESG governance structure which we embed into our day-to-day operations and workflow to continuously strengthen ESG management and implementation within our Company. Our Board, with our Environment, Health and Safety ("EHS") committee is ultimately responsible for ESG matters. Our board is primarily responsible for overall responsibility of our ESG strategy and reporting, reviewing and approving ESG plans and policies and assessing ESG-related risks and opportunities. In particular, our Board, with the support of our management, identifies and assesses material ESG risks (including climate-related risks) that may affect our Group's business model, value chain and financial performance over the short, medium and long term, and reviews the effectiveness of our Group's ESG risk management framework on a regular basis.

We have also established an ESG committee and ESG working groups dedicated to environmental protection and enhancing environmental awareness amongst our employees. Members of our ESG committee include two executive Directors, namely Mr. Ding Lin and Mr. Yuan Minjian, as well as other management across various departments and production facilities, ensuring a multi-tiered control mechanism within our Group. The committee is responsible for:

(i) establishing standardised internal environmental protection policies and framework including treatment processes for waste and environmental emergency response plans to ensure effective implementation across the Group;

(ii) keeping abreast with developments in ESG related laws and regulations to ensure our compliance with relevant ESG standards;

(iii) defining the scope of environmental responsibility for other departments and committees within our Group to elevate employee's environmental awareness; and

(iv) review any proposed changes to operational processes to ensure compliance with ESG policies.

Regular training on ESG principles is conducted for our employees to improve ESG awareness throughout all levels of our Group.

As of the end of 2024, independent directors accounted for 33% of our Board and women accounted for 11%. Within our Group, women comprised of 20% of the Group's senior and middle management. Upholding its core strategy of "talent-driven development", the Group actively integrates gender equality principles into talent

development and organizational building, continuously advancing the advancement of female managers in strategic decision-making, technological innovation, and all levels of management.

ESG risk management and strategy

We recognise the diverse range of issues presented by ESG governance and have developed a risk management framework in relation to risks presented by ESG issues. By actively addressing the concerns of both our internal and external stakeholders in relation to ESG matters, and taking into account the unique aspects of our business, we identify and assess ESG issues that could significantly affect us, ensuring these considerations are integrated into our strategic, financial, and operational planning processes.

Through our risk management process, our ESG committee has identified the following material ESG risks which are important to our business operations and our shareholders. The following list sets out certain material risks identified and corresponding mitigation measures taken to address these risks:

- **R&D and green innovation:** We integrate ESG values into our R&D efforts by developing products that appeal to growing market preference for "green materials". We test and develop new materials that reduce pollutant emissions per unit of product and consume less energy in its production process, playing our part in the reduction of global greenhouse gas emissions and supporting broader societal initiatives such as China's carbon neutrality targets.

- **Information and privacy security:** There remains a security risk in relation to the data and information we store, including potential leak of trade secrets, customer data and sensitive information, which could lead to reputational harm, regulatory penalties and operational disruptions. In response to such risk, we have implemented strong information security measures such as tiered permission systems for sensitive information, encrypted storage, full data access tracing and strict confidentiality agreements for our employees.

- **Employee care and rights:** There are risks associated with employee wellbeing and rights, such as health, safety and noncompliance with labor laws and regulations which would affect our operations and reputation. To address such risks, we stay abreast with applicable labor laws and standards. Internally, we provide annual health checkups, consistent safety training and implementing health and safety protocol and monitoring to ensure the rights and safety of our employees and sustain our operations.

- **Environmental Risk:** In our production, there are risks associated with pollution and emissions. To mitigate such, we actively monitor our emissions levels through regular testing, formulate emergency response plans to minimize potential pollution in the event of an emergency, optimise our facilities into energy efficient and low water and energy consumption units and make timely disclosure regarding our compliance with environmental standards and regulations.

- **Customer rights protection:** A failure to protect our customers' rights could affect our customers' satisfaction, harm future business opportunities and lead to legal or regulatory liabilities. To mitigate the potential risk, we have implemented customer satisfaction processes to understand our customers' needs, pain points and wants and we deliver corresponding to such customer profile. We have also

established closed-loop customer feedback mechanism, adhere to data security regulation, implement a tiered complaint management system to ensure customers get timely and adequate support thereby building trust and encouraging mutual success in our relationship.

To ensure the effective operation of our current ESG system, we employ multiple oversight mechanisms which include annual ESG management system audits and specialized environmental inspections. The ESG management system audit is the cornerstone of our ESG management system and is done by group-organized on-site audits, cross audits amongst subsidiaries and self-audits.

Response to climate change

Physical and transitional risks arising from climate change may lead to asset losses, increased costs and changes in market preferences for more environmentally friendly choices. The green transition and evolving market demands may affect our market competitiveness and inform our response to climate change. To address the challenges and uncertainties brought about by climate change, we have implemented environmental management measures focused on boosting resource efficiency, advancing green technology innovation, and strengthening the sustainability of our supply chain.

In addition, we continue to stay informed on green trends within the industry. We actively engage in research, development and testing of new materials that reduce pollutants in the production stage and reduce energy consumption and pollutant emissions per unit of product.

Environmental protection

Environmental protection remains to be a priority for our Company, we actively conduct necessary environmental impact assessments, implement the "Three Simultaneities" system in relation to our construction projects and continue to invest into our ESG strategies.

We are mainly engaged in the production of chemical materials including rubber additives and electronic chemicals. The production process involves the discharge of pollutants, including wastewater, exhaust gases and solid waste. During the Track Record Period, three of our subsidiaries, namely, RA Chemical, Sino Legend and RA Zhenjiang, have been designated as key pollutant discharging units by the environmental protection authorities. The discharge of pollutants in quantities which exceed regulatory standards will cause environmental harm. As at the Latest Practicable Date, all relevant operating units possess valid Pollutant Discharge Permit in compliance with relevant environmental regulations.

We regularly monitor the discharge of the "three wastes" namely wastewater, waste gas and solid waste of our production facilities to develop and implement an effective waste management policy. As a key pollutant discharging unit, we publicly disclose information on our pollutant discharge levels, operational status of our environmental protection facilities and pollution outlets on PRC government websites for public oversight. We have also formulated a comprehensive emergency response plan in response to environmental incidents and filed such plan with relevant environmental authorities to avoid adverse environmental impact where such incidents were to occur.

During the Track Record Period, we had been subject to administrative penalties in respect of two incidents relating to our RA Chemical factory. Specifically, the automatic monitoring equipment at the RTO exhaust gas outlet of the RA Chemical factory was found to have not been operating properly, for which a fine of RMB20,000 was imposed. In addition, the automatic monitoring data of the inorganic wastewater discharge outlet of the RA Chemical factory was found to have exceeded the permitted concentration limits, resulting in a fine of RMB352,000. As at the Latest Practicable Date, we have made necessary rectifications in accordance with the relevant requirements. Considering the nature and the consequence of the above incidents, our PRC Legal Adviser was of the view that we were not subject to any material administrative penalty in relation to environment protection during the Track Record Period. Having considered the nature, circumstances and consequences of the above incidents, we are of the view that the above incidents did not have any material financial or operational impacts on our Group.

During the Track Record Period, we complied with all relevant requirements for the discharge of wastewater, exhaust gas and solid waste in all material respects. No significant environmental issues arose nor were any environmental pollution incidents of material effect to our Group reported.

Wastewater discharge

Wastewater generated from our operations primarily consists of organic wastewater and inorganic wastewater.

In compliance with environmental standards, we treat our organic wastewater before release, our wastewater is discharged into the sewage system and undergoes biochemical treatment provided by wastewater treatment enterprises whom we contract with. We implement annual inspection plans and self-monitoring programs to monitor pollution levels of wastewater, exhaust gas and noise levels. On the other hand, inorganic wastewater may be discharged as long as the relevant discharge standards were satisfied.

Exhaust gas emissions

Exhaust gas generated from our operations contain levels of nitrogen oxides, non-methane hydrocarbons, sulphur dioxides, particulate matter and formaldehydes. Some of such components such as nitrogen oxide and non-methane hydrocarbons are classified as greenhouse gases. Our GHG emissions primarily arise from emissions generated through our manufacturing and production process.

Exhaust gas emitted from the production process is treated via primary condensation, spray tower, mist eliminator and routed to a regenerative thermal oxidizer (RTO) for incineration. For exhaust gas generated from the granulation process, it is treated using an alkali solution spray and then absorbed using activated carbon. For exhaust gas emitted during the packaging process containing particulate matter, we utilize a baghouse dust collector to extract the dust generated during the packaging process. Specifically for exhaust gases from the alkylphenol resin and octylphenol formaldehyde resin units, they are treated using a dedicated cartridge dust collector before discharge. All treated exhaust gases are to meet industry and municipal standards before being discharged via high altitude stacks industrial chimneys.

As part of our efforts to reduce our greenhouse gas emissions, we have evaluated our current systems and opted for more environmentally friendly options. Since 2023, we have adopted the biological treatment process specifically MUB biological method to treat waste

gases instead of the traditional RTO method at RA Zhenjiang. Compared to the traditional RTO process, the biological method of treatment reduces annual natural gas consumption by 59,940 cubic meters and lowers carbon dioxide emissions by 129.6 tons per year.

During the Track Record Period, our exhaust gas emissions have been in compliance with relevant environmental standards in all material respects. We regularly conduct exhaust gas testing and engage third-party or qualified agents to conduct such testing.

Hazardous waste management

In our production, we generate hazardous waste containing components of ethylene glycol solutions (乙二醇溶液), waste engine oil (廢機油), waste resins (廢樹脂) and condensate (冷凝液), where the accidental release of such waste without treatment can cause environmental harm.

We have obtained discharge permit approvals for all of our subsidiaries generating hazardous waste in their production and entrusted the disposal of our hazardous waste materials to professional qualified waste management entities at each of our production units. The hazardous waste generated in our production is collected, packaged and transported to a temporary storage area before it is transferred to third party waste management entities. As part of our reporting duty, we submit an annual hazardous waste management plan to the government which includes information on the levels of hazardous waste generated at each subsidiary as well as details on disposal methods for such waste.

Energy conservation initiatives

We continue to advance our energy conservation efforts and stay conscious of our energy consumption in the operation of our business, in compliance with the PRC Energy Conservation Law. In the year 2023 and 2024, we saved about 4.6 million kWh of electricity and 5.2 million kWh of electricity, reducing carbon dioxide emissions by 3,415.2 tons and 3,286.3 tons respectively.

We have implemented the following energy conservation and emission reduction measures:

(i) installed photovoltaic panels and corresponding photovoltaic grid-tie cabinet system on rooftop facilities and carparks within the factory premises which convert sunlight into direct current electricity for on-site use, alleviating our dependence on non-renewable energy sources and increasing our use of clean, renewable energy. In 2023 and 2024, this initiative has saved approximately 3.13 million kWh of thermal power for RA Chemical and 0.33 million kWh of thermal power at RA Electronic.

(ii) adopted more energy efficient parts in our operations such as air compressor systems, water pumps within the water circulation system and aeration fans for wastewater treatment to reduce overall energy consumption for our Group. In 2024, this initiative has saved approximately 0.27 million kWh of electricity at RA Zhenjiang.

(iii) continually optimising our operating systems into more power and electricity saving models to lower the negative impact of our production and manufacturing on the environment and shift our business towards a greener future.

Water Resource Management

Water is used in major parts of our production process for cooling machinery, a component in our manufacturing as well as cleaning. We recognize the importance of water conservation and are taking active efforts to reduce our effect on natural resources, such as water. From 2023 to 2024, we have reduced the amount of wastewater emissions by 3,500 tonnes.

To reduce our water usage, we have implemented the following measures:

(i) collected condensate from air conditioning units in our production workshops to use as raw water in our purified water production to use further in our manufacturing process, extending the lifecycle of the water we use.

(ii) implemented water recycling systems within our factories by treating wastewater on-site to remove impurities and re-using the water after treatment for other purposes.

Metrics and targets

We have established a set of indicators, targets and measures to assess and manage the environmental risk affecting our business, and we continuously track the implementation of the following targets.

The following table sets forth the metrics of our electricity consumption, waste water emissions and greenhouse gas emissions for the periods indicated:

	Unit	FY2023	FY2024
Energy consumption			
Electricity consumption	kWh'000	60,611.9	58,223.8
Water usage	cube'000	338.2	315.9
Pollutants and emissions			
Waste water emissions	tonnes'000	280.6	277.1
Waste gas	kg'000	13.0	10.0
Solid waste	tonnes'000	2.0	1.8
Greenhouse gas emissions			
— Scope 1[(1)]	tCO_2e	19,890.3	19,922.6
— Scope 2[(2)]	tCO_2e	53,584.4	52,726.6

Notes:

1. According to Greenhouse Gas Protocol, scope 1 emissions refer to the direct emission, primarily arising from the emission from our production facilities.

2. According to Greenhouse Gas Protocol, scope 2 emissions refer to the indirect emission, primarily arising from electricity and steam consumption.

Between 2026 to 2028, we plan to reduce our scope 1 and scope 2 greenhouse gas emissions of our production lines for our rubber additives for tyres and other chemical products segment by 5% per year as we move towards a more sustainable manufacturing model. To achieve this, we will optimise energy and supply chain structures and promote

low-carbon technology R&D efforts. We also continue to advance energy-saving upgrades across all facilities and expand coverage of green electricity projects like usage of solar power and promote waste heat recovery technologies.

We aim to be more conscious of our usage of natural resources and reduce our water usage within our production for our rubber additives for tyres and other chemical products segment by 5% per year by 2028. We will continue to upgrade our equipment into water-saving models, optimise water circulation systems, scale up our current rainwater and condensate recovery and enhance intelligent water usage monitoring within our Group.

As a key pollutant discharging unit, we will continue to regulate the discharge of our pollutants and target to reduce our exhaust gas emissions and wastewater discharge generated from our rubber additives for tyres and other chemical products segment by 5% per year respectively. In line with this, we will continue to establish routine energy consumption and emissions monitoring mechanism based on recommendations by ISO14001 environmental management system and strengthen employee environmental awareness training.

As at the Latest Practicable Date, our electronic materials and fully biodegradable materials segments were still in the development and expansion stage and the product portfolio, product mix and market demand are still evolving, therefore, we are currently unable to formulate realistic targets in respect of the relevant emissions associated with these production facilities. Nevertheless, we will continue to monitor and review the circumstances and, where appropriate, establish specific ESG targets for the relevant emission indicators once the production facilities have reached a more mature and stable stage of operation.

Social responsibility

We are dedicated to acting as responsible corporate citizens and consistently upholding social responsibility. We strive to utilize our influence positive contributions to society. We actively encourage and support socially responsible initiatives and promote the concept of corporate social responsibility throughout our company.

Employee safety and health

We approach the health and safety of our employees with utmost care and consideration abiding by our core principle of "zero hazards, zero injuries and zero environmental harm" (零事故、零傷害、零環境損害). We continuously optimise our occupational health management system through insights gained from our standardised audit process. As part of our commitment to occupational health and safety of our employees, we have attained the ISO45001 qualification for our Occupational Health and Safety Management System.

To ensure the occupational health and safety of our employees, we implement regular workplace environmental testing, protective equipment upgrades and conduct comprehensive health examinations for all our employees to manage occupational hazard risks. During the Track Record Period, we had not experienced any material accidents relating to our production.

Based on the hazards and risks presented at each workplace, a multi-dimensional occupational health and safety framework has been established which focuses on equipment and operator qualifications, electrical system safety, hazardous chemical lifecycle management, confined space protection measures, lifting work procedures or hot work procedures. All personnel working within or production units must pass standardised safety assessments and obtain corresponding certification before commencing work with us. During their employment, we continue to provide annual safety training sessions to all relevant personnel and ensure that all personnel continue to remain certified for their line of work. We also conduct systematic training for managers at all levels on hazardous chemical knowledge, waste management and fire safety to safeguard the safety of their teams.

Employee Wellbeing

We regard building a diverse and inclusive workplace as a strategic priority, as a workplace we respect individual differences amongst employees, foster an environment of open communication and encourage exchange of different perspectives. As we strive to create a fair and harmonious workplace where each employee can fully realise their potential, we strongly oppose all forms of discrimination and prejudice within our Group.

We have continuously implemented inclusivity policies and hiring strategies to improve our workplace diversity. As of 31 December 2024, we have a total of 91 employees with different directly such as ethnic minorities, foreign nationals and persons with disabilities.

We have a diverse employee composition. The table below sets forth our employee composition as of 31 December 2024, in terms of gender and age:

	Number of employees
By gender	
Male	914
Female	304
By age group	
Above 50	115
30 to 50	931
Below 30	172

Protection of labour rights and interests

We consistently advocate for the rights of our employees adhering to International Labour Organisation's "Declaration on Fundamental Principles and Rights at work" and the "Convention Concerning the Elimination of Discrimination in respect of Employment and Occupation", and the relevant protection of our employees' rights and interests under the PRC Labor Law.

In line with such policy, we regularly adjust employees' salaries based on industry standards whilst also considering employees' cost of living to ensure wages meet or exceed subsistence levels thereby providing employees with stable livelihoods. We also make full and timely contributions to employees' social insurance in accordance with prescribed contribution bases and rates.

Beyond regulatory requirements, we uphold a "people-oriented" management philosophy and have established a comprehensive employee care system. We set up a dedicated housing fund for all employees, providing them with secure housing solutions and alleviating housing financial pressure. A Life Care Fund has also been established which offers timely assistance to employees should they face critical illness or unexpected health events.

Professional development

We place much emphasis on employee growth, establishing a comprehensive talent development system that paves career advancement pathways for our employees.

We consistently invest in the career development of our employees through a comprehensive skill enhancement mechanism. All new employees are required to undergo a comprehensive onboarding program that covers company regulations and work standards, safety and health knowledge and information regarding work environment. During their employment with us, periodic training courses on cutting-edge chemical technologies related to our industry, safety issues and environmental protection issues are offered to our employees via both online and offline learning modes. Our human resources department also creates individualised career development roadmaps for each employee based on their individual expertise and interests, establishing clear promotion pathways in different departments such as research and development, production and management. To further enhance our employees' professional capabilities, the company actively offers opportunities for advanced studies and provides support for employees to pursue further education at top domestic institutions like Peking University and Tongji University. Outstanding employees are also offered overseas exchange opportunities to engages with cutting-edge technologies and enhance their personal capabilities alongside our Group.

Supply chain management

We build our supplier management system guided by the principle of "co-creation and mutual benefit", based on our commitment to quality products and integrity-driven mutual benefit. We integrate environmental requirements to inform our decision as to which supplier we decide to work with as we view the supply chain as an extension of our corporate responsibility value chain. In our selection process, we evaluate suppliers' performance in compliance, production safety and environmental protection practices. We actively prioritise partners who are certified under international management systems like ISO9001 and ISO14001.

In our partnership with suppliers, we define standards for environmental governance, workplace safety and labour rights protection in our Supplier Code of Conduct. Within our operations we implement green procurement policies like packaging reduction and low-carbon transportation and encourage supplier to optimise clean product processes.

Moving forward, we aim to deepen development of digital collaboration platforms across the supply chain to track carbon footprint in real time and share green technology solutions.

Anti-corruption and Anti-money Laundering

We regard integrity and self-discipline as a core principle to our development. We adhere strictly to all national laws and regulations against corruption and fraud and comply with United Nations Convention against Corruption. We continuously refine our internal management systems such as Internal Audit Management Policy and Related-Party

Transaction Policy. We implement anti-fraud commitment signing systems between our business partners and maintain a zero-tolerance stance towards bribery, corruption and fraudulent activities.

We abide by the Anti-Money Laundering Law of the PRC and other relevant anti-money laundering and counter-terrorist financing laws and regulations. A joint prevention and control mechanism has been established within our Group to curb money laundering activities. We have also established a system through telephone, website and mail for reporting suspected corruption and money laundering activities and subsequent investigation, the informants identity and the information provided by such whistle-blower remains to be strictly confidential.

During the Track Record Period, we have not encountered any confirmed cases of corruption or money laundering.

Community Relations

We are deeply committed to our community and public welfare as we contribute regularly to the development and social progress of our local community. We believe in giving back to those within our community and focus our assistance on the areas of promoting scientific development and research, medical research and health and educational efforts.

Since 2002 to 2025, over the course of 23 years, our employees have collectively contributed nearly 400,000 hours of volunteer service and actively participated in over 100 public welfare projects, deepening our philanthropic support for educational and scientific research causes allowing our Group to become a strong advocate in the public welfare sector.

As part of our efforts to promote continuous innovation and research, we have partnered with China Petroleum and Chemical Industry Federation (中國石油和化學工業) to establish a "Red Avenue Youth R&D Fund" (which aims to advance green and sustainable development in the petrochemical industry, encouraging young scientific and technological leaders within this space. We have also served as sponsors at major scientific competitions that align with our mission, such as being the primary sponsor at "SCIP+ Green Chemistry and Chemical Engineering Innovation and Entrepreneurship Competition" and introducing the new materials technology for sustainable tyres challenge, advancing green technological innovation and awareness for our industry.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us which could have a material and adverse effect on our financial condition or results of operations.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all material licenses, approvals and permits from relevant regulatory authorities for our operations.

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

During the course of our business, data and information from our clients and business partners are collected and stored within our internal systems. We recognize the importance of data privacy and prioritise information security management in our operation.

We have established a comprehensive management system to mitigate security risks by introducing the SAP system. The SAP system centrally manages critical data, monitors and optimises business processes and reduces information security risks. A coordinated framework of technical safeguards and regulatory compliance policies was implemented to regulate employees' access to the SAP system. Specifically, tiered system permissions limiting access to information based on the user's role within our organisation, encrypted storage to protect our core data and standardised monitoring of our business processes and data usage were implemented. Through our data protection mechanisms, we achieve operational traceability and dynamic risks alert thereby raising our anomaly detection capabilities and providing a reliable information security barrier for safe and efficient business operations.

To reinforce our data protection mechanisms, corresponding internal control framework as to information security has been established accordingly. A customer data classification management and permission control mechanism exists within our group which standardises the collection, storage and usage of commercial information obtained from other parties. Relevant employees and personnel are required to sign confidentiality agreements upon commencement of their employment and access rights to our systems are terminated upon their departure. Tiered controls for sensitive information such as customers technical parameters and transaction records are implemented to ensure full data access traceability and to prevent misuse of such data during the commercial information lifecycle, thereby safeguarding customer trade secrets and preserving the foundation of trust between parties.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty in relation to data privacy and security and, as advised by our PRC Legal Adviser, we had been in compliance with relevant PRC data privacy and information protection laws and regulations.

INTELLECTUAL PROPERTY RIGHTS

We believe that intellectual property serves as the cornerstone of our business operations. We protect our intellectual properties and proprietary rights through intellectual property laws relying on systems such as patents, trademarks and copyrights and other forms of intellectual property patents that grants us exclusive legal rights to our innovative achievements. We continue to protect our intellectual property rights after they have been granted through regular monitoring of the market for unauthorised use or infringement of our patents, trademarks or copyrights and take corresponding measures to enforce our rights where necessary.

We are committed to comprehensive protection of our intellectual property through continuous refinement and enhancement of our intellectual property protection system. Rigorous confidentiality protocols and standardised procedures in relation to classified information, personnel, activities and zones across our group have been established to safeguard our innovations and trademarks. We require all R&D partners and internal R&D personnel to sign confidentiality agreements which clearly state that all rights and obligations regarding the ownership of intellectual properties remain with us.

As at 30 September 2025, we held 402 registered patent, 61 registered trademarks, 15 registered copyrights and seven registered domain names within the PRC. According to our PRC legal advisers, we lawfully own all patents, trademarks, copyrights and domain names registered and have obtained complete ownership certificates. For full details of material intellectual property rights for our core products that we are registered owners, please refer to the section headed "Appendix VI — Statutory and General information" in this document.

During the Track Record Period, we had not experienced any threatened or pending disputes relating to the infringement of intellectual property rights which would have a material adverse effect on our business.

EMPLOYEES

As at 30 September 2025, we had a total of 1,289 full-time employees. Majority of our employees were based in the PRC. The table below sets out the breakdown of our employees by function as at 30 September 2025.

Function	Number	Percentage of total number
		(%)
Production	571	44.3
R&D	302	23.4
Sales	161	12.5
Finance	42	3.3
Administrative and others	213	16.5

We value the talent of our employees and invest substantial resources into the training and continuous development of our employees. We recruit our employees based on the needs of our relevant department and the value they bring through their varying academic backgrounds, experiences and personal qualities. We continue to create value-added positions, attracting top talent within the field and offering our employees broader career development opportunities.

Our compensation and incentive scheme aims to cultivate goal-oriented, value-creating and high efficiency employees. We offer competitive remuneration and benefits, with remuneration based on individual performance, appraisal and industry benchmarks. We also invest substantial resources and time into our existing employees by developing training plans, offering market-focused educational courses and creating opportunities to enhance the capabilities of our employees and promote the efficiency of our operations.

In compliance with the laws and regulations in PRC, we participate in government statutory employee insurance plans covering pension, medical, unemployment, work-related injury, housing provident fund and maternity insurance. Beyond statutory requirements, we have also established a dedicated housing fund and life care fund to provide assistance to our employees during critical times. During the Track Record Period, we had made full and timely contributions to our employee's insurance coverage according to statutory standards. An established labor union exists within our Group to protect the legal rights of all our employees and encourage our employees to voice their concerns through our official communication channels.

We continue to enjoy a good working relationship with our employees. During the Track Record Period, we have not had any material labour disputes with our employees, which may materially and adversely affect our business operations.

LICENSES, PERMITS AND REGISTRATIONS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals and certificates from the relevant government authorities that are material for our business operations. We continually monitor our compliance with these requirements to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing material licenses, permits or approvals which were material to our operation during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

The following table sets out certain material licenses, approvals and permits held by our Group as at the Latest Practicable Date:

Entity	License/Approval/Permit	Granting Authority	Expiration Date
Sino Legend	Hazardous Chemicals Safety Usage Permit (危險化學品安全使用許可證)	Zhangjiagang Free Trade Zone, Administration Committee, Jiangsu Province (江蘇省張家港保税區管理委員會)	11 January 2028
	Hazardous Chemicals Business License (危險化學品經營許可證)	Zhangjiagang Free Trade Zone, Administration Committee, Jiangsu Province (江蘇省張家港保税區管理委員會)	20 April 2028
	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Jiangsu Chemical Registration Center Chemical Registration Center, Ministry of Emergency Management (江蘇省化學品登記中心、應急管理部化學品登記中心)	31 July 2027
RA Zhenjiang	Hazardous Chemicals Business Permit (危險化學品經營許可證)	Zhenjiang Economic and Technological Development Zone Administration Committee (鎮江經濟技術開發區管理委員會)	13 April 2028

Entity	License/Approval/Permit	Granting Authority	Expiration Date
	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Jiangsu Chemical Registration Center Chemical Registration Center, Ministry of Emergency Management (江蘇省化學品登記中心、應急管理部化學品登記中心)	9 July 2027
	Production Safety Permit (安全生產許可證)	Jiangsu Provincial Department of Emergency Management (江蘇省應急管理廳)	30 May 2028
RA Electronic	Hazardous Chemicals Business Permit (危險化學品經營許可證)	Shanghai Municipal Emergency Management Bureau (上海市應急管理局)	29 September 2027
	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Shanghai Chemical Registration Office, Ministry of Emergency Management Chemical Registration Center (上海市化學品登記註冊辦公室、應急管理部化學品登記中心)	3 November 2026
	Production Safety Permit (安全生產許可證)	Shanghai Municipal Emergency Management Bureau (上海市應急管理局)	27 December 2026
RA Shanghai Chemical	Hazardous Chemicals Business Permit (危險化學品經營許可證)	Shanghai Municipal New Pudong Area Emergency Management Bureau (上海市浦東新區應急管理局)	10 March 2027
	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Shanghai Chemical Registration Office, Ministry of Emergency Management Chemical Registration Center (上海市化學品登記註冊辦公室、應急管理部化學品登記中心)	9 April 2028
	Food Business License (食品經營許可證)	Shanghai Pudong New Area Market Supervision Administration (上海市浦東新區市場監督管理局)	20 May 2030

Entity	License/Approval/Permit	Granting Authority	Expiration Date
RA Chemical	Hazardous Chemicals Business Permit (危險化學品經營許可證)	Shanghai Municipal Emergency Management Bureau (上海市應急管理局)	14 December 2028
	Production Safety Permit (安全生產許可證)	Shanghai Municipal Emergency Management Bureau (上海市應急管理局)	25 January 2029
	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Shanghai Chemical Registration Office, Ministry of Emergency Management Chemical Registration Center (上海市化學品登記註冊辦公室、應急管理部化學品登記中心)	18 August 2028
BAE	Hazardous Chemicals Business Permit (危險化學品經營許可證)	Beijing Chaoyang District Emergency Management Bureau (北京市朝陽區應急管理局)	28 May 2028
BAE (Hubei)	Hazardous Chemicals Registration Certificate (危險化學品登記證)	Hubei Provincial Hazardous Chemicals Registration Center Ministry of Emergency Management Chemicals Registration Center (湖北省危險化學品登記中心、應急管理部化學品登記中心)	15 June 2028
	Production Safety Permit (安全生產許可證)	Hubei Provincial Department of Emergency Management (湖北省應急管理廳)	28 October 2028

As at the Latest Practicable Date, Kempur had not obtained the Production Safety Permit (安全生產許可證) for hazardous chemicals required for the production of photoresists at the Kempur factory. Based on an interview conducted with the relevant PRC government authority (being the competent authority as advised by our PRC Legal Adviser), it was confirmed that (i) the relevant government authority would not suspend the operation of Kempur or impose any administrative penalty on Kempur; and (ii) Kempur may continue its normal operation of research, manufacture and sale of photoresists. Based on the above, our PRC Legal Adviser is of the view that, barring any material change in the PRC policies and regulations and the implementation and regulatory requirements of the local governments, the lack of the Production Safety Permit for hazardous chemicals would not have material adverse effects on the operation of Kempur.

Taking into account (i) the interview conducted with the relevant government authority; (ii) the view of our PRC Legal Advisers; and (iii) the relatively insignificant revenue contribution and production volume of the Kempur factory to our Group as a whole, we are of the view that the lack of Production Safety Permit for hazardous chemicals of Kempur would not have material adverse impacts to our business and operation.

CERTIFICATIONS, AWARDS AND RECOGNITIONS

We have received recognition in the form of certificates and awards for our business, the following table sets our major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date.

Award	Award Year/ Effective Period	Awarding Institution/Authority
National-Level Little Giant (國家級小巨人)	2022–2025	Ministry of Finance of the PRC (經信部)
CNAS Accreditation (CNAS實驗室認可證書)	2025–2031	China National Accreditation Service for Conformity Assessment (CNAS)
High-Tech Enterprise (高新技術企業) — RA Chemical — Sino Legend — BAE — BAE (Hubei) — Kempur — RA Zhenjiang — RA Innova	2023–2028	Relevant local Tax Services, State Taxation Administration
"Specialized, Refined, Distinctive, and Innovative" SME (「專精特新」中小企業) — RA chemical — Sino Legend — BAE — BAE (Hubei) — Kempur	2021–2027	Relevant local Bureau of Economy and Information Technology
Beijing Intellectual Property Pilot Unit (北京市知識產權試點單位)	2025	Beijing Intellectual Property Office (北京市知識產權局)
7th "IC Innovation Award" Industrialization Achievement Award (第七屆「IC創新獎」成果產業化獎)	2024	China Integrated Circuit Innovation Alliance (中國集成電路創新聯盟)

Award	Award Year/ Effective Period	Awarding Institution/Authority
2024 Pudong New Area Innovation and Entrepreneurship Award (2024年度浦東新區創新創業獎)	2025	Shanghai Pudong New Area People's Government (上海市浦東新區人民政府)

We are also a member of various industry associations, including but not limited to the Chemical Industry and Engineering Society of China (中國化工學會) and China Petroleum and Chemical Industry Federation (中國石油和化學工業聯合會).

RISK MANAGEMENT AND INTERNAL CONTROLS

To address the potential operational, legal, financial and market risks we face, we have established internal controls and risk management systems within our corporation. We continually review and refine our current internal control systems to ensure they remain relevant and effective, safeguarding the interest of. It is the responsibility of our Board to establish, improve, implement and evaluate the effectiveness of our internal control mechanisms.

Financial risks

To manage financial reporting risks effectively, we have established an audit committee which consists of personnel in financial accounting, fund disbursement and related positions within the finance department to oversee our financial reporting obligations and maintain effective internal financial controls. We have also adopted comprehensive accounting policy "Internal Control System for Monetary Funds" which standardizes critical processes for financial fund management including fund receipts, disbursements, payment processing and financial accounting.

In relation to taxation related reporting, we adopt a "local execution, group supervision" model, with each subsidiary within the group independently completing tax accounting, filing and annual tax audits in accordance with relevant tax laws and regulations. External audit firms conduct periodic reviews of internal tax control implementation within our group, and the finance department consolidates monthly tax filing data from subsidiaries and conducts quarterly tax risk reviews to identify potential tax risks. In formulating our internal tax policy we engage specialized external consultants for policy support and advice. To increase our employees' awareness towards tax related risks, we invite consultants to conduct regular tax policy training sessions for our employees.

Compliance risk management

To ensure our operations are in compliance with applicable laws and regulations with have established compliance risk management procedures to identify compliance risks and address them. We have established "Procurement Management Procedures" to define standard procedures for contract formation and approval as well as responsibilities and responsible authorities at each stage. We have also established a procurement department which includes personnel in contract management and approval roles to review, approve and ensure that the contracts we enter into with our suppliers and customers are compliant with relevant laws and regulations. They continue to monitor changes in relevant laws and

regulations as well as the regulatory environment to ensure continued compliance in our business operations. The procurement department works with our legal team to obtain relevant licenses, permits and permission such that we can continue our operations in a safe and compliant manner.

Anti-corruption risk management

We have established procedures to prevent conflicts of interest and improper compensation among our directors, supervisors, senior executives and employees. Internally, we have formulated a series of regulations including "Rules of Procedure for Shareholders' Meetings", "Rules of Procedure for Board Meetings", "Independent Director Work System", and "Managerial Personnel Work Details" which define authority boundaries, behavioral norms and conflict of interest avoidance requirements for personnel in managerial and directorship positions. Externally, we ensure strict verification is conducted on business dealings and cooperative relationships involving related parties through inspections and interviews.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

The A Shares of our Company have been listed on Shanghai Stock Exchange before the **[REDACTED]**. Immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** and **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, we will be owned as to approximately **[REDACTED]** by Ms. Zhang, **[REDACTED]** by Red Avenue Investment and **[REDACTED]** by Virgin Holdings. Red Avenue Investment is wholly owned by Ms. Zhang, and Virgin Holdings is owned as to 99.9% by Ms. Zhang and 0.1% by Red Avenue Investment. Accordingly, Ms. Zhang and the entities controlled by her, namely Red Avenue Investment and Virgin Holdings, will hold in aggregate approximately **[REDACTED]** of the issued share capital of our Company and will be our Controlling Shareholders upon the **[REDACTED]**. Please refer to the section headed "History, Development and Corporate Structure" in this document for the direct or indirect shareholding in our Company of Ms. Zhang, Red Avenue Investment and Virgin Holdings.

For the purpose of the Listing Rules, as Ms. Zhang and the entities controlled by her, namely Red Avenue Investment and Virgin Holdings are, directly or indirectly, individually or together with the others, entitled to exercise or control the exercise of 30% or more of the voting power at our general meetings, each of them is regarded as our Controlling Shareholder under the Listing Rules.

Ms. Zhang is our executive Director and chairperson of our Board. Please refer to the section headed "Directors and Senior Management" in this document for further information on Ms. Zhang's work experiences. Each of Red Avenue Investment and Virgin Holdings is principally engaged in trading of reducing agent and investment holding. These trading business and investments do not compete with our business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that our Group is capable of carrying on our business independently of our Controlling Shareholders and their respective associates (other than our Group) on the following reasons:

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own independent departments focusing on the respective areas of our current business. We do not rely on referral of business opportunities from our Controlling Shareholders. Our management team has been and will be able to seek business opportunities for us. We have independent access to our suppliers and customers, as well as an independent management team (including our Directors and staff) to handle our daily operational work. We have registered the relevant intellectual property rights relating to our products and the relevant technologies of our business. We hold all the licenses and qualifications necessary to carry on our current business, and have sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders and their respective close associates (other than members of our Group).

Based on the above, our Directors are of the view that our capability to operate independently from our Controlling Shareholders is not considered to be a concern.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, we had independent financial and accounting and internal control systems and make financial decisions according to our own business needs. We have our independent financial department with a team of financial staff responsible for financial control, accounting and reporting function. We have adequate financial resources and credit facilities to support our daily operation without relying on any guarantee or security provided by our Controlling Shareholders and their respective close associates.

We do not rely on our Controlling Shareholders or their respective close associates to provide financial assistance to our Group. We have independent access to third party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, none of Controlling Shareholders or their respective close associates provided any loans, borrowings or guarantees to our Group.

Based on the above, our Directors are of the view that our Group is financially independent from and does not rely on our Controlling Shareholders and/or their respective close associates for any financial assistance.

Management Independence

Our Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. For further details, please refer to the section headed "Directors and Senior Management" in this document.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts in the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum of the relevant board meetings.

The day-to-day management and operations of our Group are carried out by our executive Directors and other staff, most of whom are independent of our Controlling Shareholders and have substantial experience in the industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interest of our Group.

We have appointed three independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, extensive experience in different professions, and competence to bring independent judgement to the decision-making process of our Board, and to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions, to promote the interests of our Company and our Shareholders as a whole. Our Directors believe that the different backgrounds of our independent non-executive Directors provide a balance of views and opinions to our Board.

Based on the above, our Directors are of the view that our Board and our staff as a whole are able to perform the managerial role in our Group independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their close associates after the **[REDACTED]**.

RULE 8.10 OF THE LISTING RULES

None of our Controlling Shareholders and our Directors has any interest in a business apart from our business which competes or is likely to compete, directly or indirectly, with our business, and would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKINGS

In order to avoid any potential competition between our Controlling Shareholders and our Company, our Controlling Shareholders have undertaken to our Company that:

(i) none of them or their controlled or invested companies (other than the Group) shall directly or indirectly engage or participate in any business or activity that constitutes or may constitute direct or indirect competition with the current or future principal business of our Group;

(ii) none of them or their controlled or invested companies (other than the Group) shall support, in any form, other companies outside of our Group in engaging in business or activities that compete or may compete with the current or future principal business of our Group;

(iii) none of them or their controlled or invested companies (other than the Group) shall intervene in any other manner in business or activities that compete or may compete with the current or future principal business of our Group;

(iv) should our Company expand its business scope, they and their controlled companies shall not compete with the expanded business of our Company. Where competition with the expanded business of our Company may arise, they and their controlled companies shall exit from any such competition by (a) ceasing the business that competes or may compete with our Company; (b) integrate the competing business into our Company; or (c) transfer the competing business to an unrelated third party; and

(v) should they and their controlled companies encounter any business opportunity involving engagement or participation in activities that may compete with the business of our Company, they shall immediately notify our Company of such opportunity in writing. Where our Company affirms within the reasonable period specified in the written notice that it intends to pursue the opportunity, they shall use their best endeavours to refer such opportunity to our Company.

Our Controlling Shareholders have also undertaken:

(i) to ensure independence of our Company in terms of asset, business, employees, financial and structural aspects in accordance with the requirements of the relevant laws and regulations;

(ii) to take lawful and effective measures to procure that other companies, enterprises or other economic organisation controlled by them will not directly or indirectly engage in any business that is identical or similar to those of our Group; and

(iii) not use their position as the controlling shareholders of our Company to take any other action that would jeopardise the interests of our Company or our Shareholders.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(i) where a Shareholders' meeting is to be held for considering proposed transaction in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(ii) pursuant to our Articles of Association, where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum in the voting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with a Controlling Shareholder or any of her/its associates, our Company will comply with the applicable Listing Rules;

(iv) our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company;

(v) our independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the non-competition undertakings by our Controlling Shareholders;

(vi) where our Directors reasonably request the advice of independent professionals such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(vii) we have appointed Lego Corporate Finance Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

BOARD OF DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. Our Board consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors are appointed for a term of three years from the date of approval by the Shareholders at the general meeting of our Company, and are eligible for re-election upon expiry of their term of office, except that the independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations. The information of the current members of our Board is set out as follows:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Directors and/or senior management
Executive Directors						
Ms. Zhang Ning (張宁)	51	Executive Director and chairperson of our Board	August 1999	18 September 2016	Overall strategic development, formulation and decision-making of major business development policies	N/A
Mr. Ding Lin (丁林)	53	Executive Director, vice chairman of our Board and president	November 2021	18 November 2021	Strategy execution and overall operations of our Group	N/A
Mr. Yuan Minjian (袁敏健)	57	Executive Director and vice president	June 2011	23 October 2019	Overall management of the production operations of our Group	N/A
Mr. Yu Yaoming (俞堯明)	55	Executive Director, vice president and chief financial officer	July 2020	18 November 2021	Overall financial management of our Group	N/A
Mr. Tang Jie (湯捷)	50	Executive Director and vice president	August 2006	15 October 2025	Overall sales management of our Group	N/A
Non-executive Director						
Mr. Li Xiaoguang (李曉光)	50	Non-executive Director	May 2021	6 May 2021	Responsible for providing advice to the Board and participating in the formulation of the general corporate business plans	N/A

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Directors and/or senior management
Independent non-executive Directors						
Mr. Zhang Yun	49	Independent non-executive Director	November 2022	10 November 2022	Providing independent opinion and judgment to our Board	N/A
Mr. Jiang Changjian (蔣昌建)	60	Independent non-executive Director	October 2025	15 October 2025	Providing independent opinion and judgment to our Board	N/A
Mr. Feng Yaoling (馮耀嶺)	68	Independent non-executive Director	November 2022	10 November 2022	Providing independent opinion and judgment to our Board	N/A

Executive Directors

Ms. Zhang Ning (張宁), aged 51, is an executive Director and chairperson of our Board who is responsible for overall strategic development, formulation and decision-making of major business development policies. Ms. Zhang was appointed as our Director and chairperson of our Board on 18 September 2016. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, she was redesignated as an executive Director, which will come into effect upon the **[REDACTED]**. Ms. Zhang is our founder and one of our Controlling Shareholders.

Ms. Zhang has over 26 years of experience in operation and management of chemical materials manufacturing business. In August 1999, she founded RA Shanghai Chemical, through which our business first operated.

From September 2021, she has been nominated by us to serve as director of Zhongce Rubber, a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603049) and one of our invested associates and downstream customers, which engages in the research, development, production and sales of tyre products.

Ms. Zhang began her studies at Beijing Technology and Business University (北京工商大學) in Beijing, the PRC in September 1993, and graduated with a bachelor of science majoring in biochemical engineering from its department of chemical engineering. She obtained her master of science degree in engineering business management from the University of Warwick in England in September 2002 and her Executive Masters of Business Administration from Cheung Kong Graduate School of Business (長江商學院) in Beijing, the PRC, in August 2006. In May 2015, she obtained her Doctor of Business Administration in Global Financial Management from Arizona State University in the United States.

Ms. Zhang was a director, a supervisor and/or a manager of the companies below which were dissolved by way of deregistration. The relevant details are as follows:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Shanghai Tongxu Chemical Co., Ltd. 上海彤旭化工有限公司	The PRC	Manufacture of chemical materials	Dissolved by deregistration	29 September 2015
DF Capital (Shanghai) Private Fund Management Co., Ltd 德孚同誠(上海)私募基金管理有限公司	The PRC	Capital Investment Services	Dissolved by deregistration	18 June 2025
Red Avenue Trading (Shanghai) Co., Ltd. 彤程商貿(上海)有限公司	The PRC	Wholesale and retail sale of chemical materials	Dissolved by deregistration	16 December 2015
Hong Kong Eco Technology Limited (香港宜和科技有限公司)	Hong Kong	Never commenced operation or business	Dissolved by deregistration	8 July 2022

Ms. Zhang has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on her part leading to such dissolution. Her involvement in each of the above companies was part and parcel of her services as a director, supervisor and/or manager of the above companies and, so far as she is aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against her.

Mr. Ding Lin (丁林), aged 53, is an executive Director, vice chairman of our Board and the president of our Company who is responsible for the strategy execution and overall operations of our Group. He was appointed as Director on 18 November 2021. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an executive Director, which will come into effect upon the **[REDACTED]**. He has been our president since 1 November 2021.

Mr. Ding is experienced in the management of chemical materials manufacturing business. Prior to joining our Group, from May 2013 to March 2018, he served as Managing Director of Huntsman Polyurethanes Shanghai Co. Limited (上海亨斯邁聚氨酯有限公司), a company specialized in the research, development, production and sales of polyurethane products, which are widely used in automotive, appliances, construction and other sectors, the Senior Commercial Director of the polyurethanes division of Huntsman Group and China General Manager. Mr. Ding also previously served as Vice President of the Advanced Materials division of Huntsman Group for Asia-Pacific region and Chairman of Huntsman Advanced Chemicals (Guangdong) Co., Ltd. (亨斯邁先進化工材料(廣東)有限公司) from April 2018 to October 2021. Huntsman Advanced Chemicals (Guangdong) Co., Ltd. mainly engaged in research, development and production, and sales of advanced chemical material products, which are widely used in electronics, automotive, electrical, aviation and other sectors.

Mr. Ding obtained a bachelor's degree in applied chemistry and a master's degree in science in chemistry in July 1994 and March 1997, respectively, from Tongji University (同濟大學) in Shanghai, the PRC. He obtained an Executive Master of Business Administration from Cheung Kong Graduate School of Business (長江商學院) in Beijing, the PRC in October 2009.

Mr. Ding was a director of the company below which was dissolved by way of deregistration:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Huntsman Advanced Chemicals (Nanjing) Co., Ltd. 亨斯邁先進化工材料(南京)有限公司	The PRC	Wholesale and retail sale of chemical materials	Dissolved by deregistration	20 April 2021

Mr. Ding has confirmed that the above company was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. His involvement in the above company was part and parcel of his services as a director of the above company and, so far as he is aware, the dissolution of this company has not resulted in any liability or obligation being imposed against him.

Mr. Yuan Minjian (袁敏健), aged 57, is an executive Director and the vice president of our Company who is responsible for overall management of the production operations of our Group. He was appointed as a Director on 23 October 2019. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an executive Director, which will come into effect upon the **[REDACTED]**. Mr. Yuan joined our Group in June 2011, successively serving as production manager, deputy general manager and general manager of RA Chemical. He is also the legal representative, general manager, and director of certain of our subsidiaries.

Mr. Yuan has extensive experience in engineering. Prior to joining our Group, from July 1989 to May 2011, he successively served as process technician, workshop director, deputy director and deputy chief engineer, deputy plant manager and deputy manager, as well as business division deputy manager, the director of the engineering department and director of the environment, health and safety department at the Gaoqiao branch of Sinopec Shanghai Gaoqiao Petrochemical Co. Ltd. (中石化股份有限公司高橋分公司), a company principally engaged in the production of gasoline, jet fuel, diesel and fine chemical products.

Mr. Yuan obtained a diploma in chemical plant and machinery (化工設備與機械專業) in July 1989 from the Department of Chemical Engineering of East China Institute of Chemical Technology (華東化工學院) (now known as East China University of Science and Technology (華東理工大學) ("**ECUST**")) in Shanghai, the PRC and completed his undergraduate studies in ECUST majoring in mechatronics engineering (機械電子工程) in July 2001. He subsequently obtained his Executive Master of Business Administration from Shanghai National Accounting Institute in Shanghai, the PRC in cooperation with Arizona State University in May 2019.

Mr. Yu Yaoming (俞堯明), aged 55, is an executive Director, vice president of our Company, and our chief financial officer, and is responsible for overall financial management of our Group. Mr. Yu was appointed as a Director on 18 November 2021. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an executive Director, which will come into effect upon the **[REDACTED]**.

Mr. Yu has over 30 years of experience in finance and accounting. Mr. Yu joined our Group in July 2020. Prior to that, From March 2019 to July 2020, Mr. Yu was an executive director at Fufeng Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00546) that mainly engages in the manufacture and sale of food additives, animal nutrition products, premium amino acids and water-soluble gums. From September 2007 to March 2018, Mr. Yu served first as financial director and subsequently as an executive director and vice president at Springland International Holdings Limited, a company with its shares listed on the Main Board of the Stock Exchange and which was subsequently privatised and listing of its shares was withdrawn on 2 March 2020 (stock code: 01700), which mainly operated and managed department stores and supermarkets within the PRC. Prior to that, he was an accounting manager at Shanghai Secco Petrochemical Company Limited (上海賽科石油化工有限責任公司) from October 2001 to October 2007, and the deputy director of the accounting department at Jinshan Office of Sinopec Group Shanghai Engineering Co., Ltd. (中石化上海金山工程公司) from May 1999 to June 2002.

Mr. Yu obtained a bachelor's degree in accounting from Shanghai University of Finance and Economics in Shanghai, the PRC, in July 1992 and Doctor of Business Administration from IPAG Business School in Paris, France in July 2018. Mr. Yu has been a member of the Chinese Institute of Certified Public Accountants since 1995.

Mr. Tang Jie (湯捷), aged 50, is an executive Director and vice president of our Company who is responsible for overall sales management of our Group. Mr. Tang was appointed as a Director on 15 October 2025. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an executive Director, which will come into effect upon the **[REDACTED]**. He is also a supervisor of one of our subsidiaries.

Mr. Tang has been serving our Group since August 2006, and has served as the manager and director of the international sales department of RA Shanghai Chemical.

Mr. Tang obtained a bachelor's degree in construction engineering from the Wuhan Urban Construction Institute (武漢城市建設學院) in Hubei, the PRC, in June 1998 and a master's degree in business management from the Beijing Institute of Technology in Beijing, the PRC, in July 2006.

Mr. Tang was a director, manager and/or supervisor of the companies below which were dissolved by way of deregistration:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Shanghai Tongzhong Enterprise Management Co., Ltd. 上海彤中企業管理有限公司	The PRC	Leasing and business services	Dissolved by deregistration	15 July 2021

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Tongyue Chemical (Yangzhong) Co., Ltd. 彤悦化工(揚中)有限公司	The PRC	Manufacturing of chemical materials	Dissolved by deregistration	8 December 2015
Red Avenue Trading (Hainan) Co., Ltd. 彤程貿易(海南)有限公司	The PRC	Wholesale and retail sale	Dissolved by deregistration	29 December 2023

Mr. Tang has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. His involvement in each of the above companies was part and parcel of his services as a director, supervisor and/or manager of the above companies and, so far as he is aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against him.

Non-executive Director

Mr. Li Xiaoguang (李曉光), aged 50, is a non-executive Director who is responsible for providing advice to the Board and participating in the formulation of general corporate business plans. Mr. Li was appointed as a Director on 6 May 2021. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as a non-executive Director, which will come into effect upon the **[REDACTED]**.

Mr. Li has over 25 years of experience in investment and securities. Since December 2018, October 2023 and November 2023, he has been manager of the securities department, secretary of the board and a director, respectively at Shaanxi Coal Industry Co., Limited ("**Shaanxi Coal**"), a company with its shares listed on the Shanghai Stock Exchange (stock code: 601225). He joined Shaanxi Coal in March 2014 where he first worked in the securities department, and then served as the deputy manager of the securities of Shaanxi Coal from January 2016 to December 2018. Between June 2023 and October 2025, he served as a non-executive director at JL Mag Rare-Earth Co., Limited, a company with its H shares listed on the Main Board of the Stock Exchange (stock code: 06680) and A shares listed on the Shenzhen Stock Exchange (stock code: 300748).

Mr. Li obtained his bachelor's degree in accounting from Shaanxi Institute of Finance and Economics (陝西財經學院) in Xi'an, the PRC in December 1999. He has also obtained the Level 1 securities qualification certificate accredited by the Securities Association of China in September 2005, and board secretary qualification certificate issued by the Shanghai Stock Exchange in September 2014.

Independent non-executive Directors

Mr. Zhang Yun formerly known as Mr. Zhang Yun (張昀), aged 49, is an independent non-executive Director. Mr. Zhang was appointed as an independent director of our Company on 10 November 2022. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an independent non-executive Director, which will come into effect upon the **[REDACTED]**. He is the independent non-executive Director who has the qualifications and experience to meet the requirements under Rule 3.10(2) of the Listing Rules.

Mr. Zhang has extensive experience in accounting and research. Since September 2015, he has been serving as a tenured associate professor of accounting at the George Washington University ("**GWU**") School of Business. From August 2009 to September 2015, Mr. Zhang worked as an assistant professor of accounting at GWU School of Business and from July 2003 to July 2009, as an assistant professor of accounting at Duke University's Fuqua School of Business. Mr. Zhang has also been serving as an independent director of the following listed companies: Xueda (Xiamen) Education Technology Group Co., Limited, a company with its shares listed on the Shenzhen Stock Exchange (stock code: 000526), since July 2020; Cheetah Mobile Inc, a company with its shares listed on the New York Stock Exchange (stock code: CMCM), since September 2020; and Lianhe Chemical Technology Co., Limited, a company with its shares listed on the Shenzhen Stock Exchange (stock code: 002250), since September 2022.

Mr. Zhang obtained his master's degree in arts and philosophy in December 2002 and obtained his doctorate degree in philosophy in May 2004, both from Yale University in the United States.

Mr. Jiang Changjian (蔣昌建), aged 60, is an independent non-executive Director. Mr. Jiang was appointed as an independent director of our Company on 15 October 2025. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an independent non-executive Director, which will come into effect upon the **[REDACTED]**.

Mr. Jiang has extensive experience in education focusing on political science and international politics. He began working at Fudan University in March 1997, eventually serving as an associate professor at the School of International Relations and Public Affairs of Fudan University, responsible for lecturing on international relations. Mr. Jiang has also served, or is serving, as independent director of the following listed companies: BGI Genomics Co., Limited, a company with its shares listed on the Shenzhen Stock Exchange (stock code: 300676), from June 2015 to June 2021; Suzhou Etron Technologies Co., Limited, a company with its shares listed on the Shenzhen Stock Exchange (stock code: 603380), from August 2015 to September 2021; Sanxiang Impression Co., Limited, a company with its shares listed on the Shenzhen Stock Exchange (stock code: 000863), from May 2018 to June 2024 and Linmon Media Limited, a company with its shares listed on the Main Board of the Stock Exchange (stock code: 09857), since September 2021; and Shenzhen Xunce Technology Co., Limited, a company with its shares listed on the Main Board of the Stock Exchange (stock code: 03317), since December 2025.

Mr. Jiang attended Fudan University in Shanghai, the PRC, from September 1990 to June 1997, where he obtained his master's degree in international politics in April 1994 and a doctoral degree in political theory in June 1997.

Mr. Jiang was a director and/or manager of the companies below which were dissolved by way of deregistration:

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Wuxi Smart Node Cultural Technology Co., Ltd. (無錫智慧節點文化科技有限公司)	The PRC	Provision of advisory services in cultural, sports and entertainment industry	Dissolved by deregistration	7 June 2023

Name of company	Place of incorporation	Nature of business before dissolution	Means of dissolution	Date of dissolution
Wuxi Chaoti Media Technology Co., Ltd. (無錫超體傳媒科技有限公司)	The PRC	Manufacturing of network and information security equipment	Dissolved by deregistration	9 December 2021

Mr. Jiang has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. His involvement in each of the above companies was part and parcel of his services as a director, supervisor and/or manager of the above companies and, so far as he is aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against him.

Mr. Feng Yaoling (馮耀嶺), aged 68, is an independent non-executive Director. Mr. Feng was appointed as an independent director of our Company on 10 November 2022. Pursuant to the resolutions of the A Shares Shareholders passed on 30 January 2026, he was redesignated as an independent non-executive Director, which will come into effect upon the **[REDACTED]**.

Mr. Feng has over 40 years of experience in the tyre manufacturing industry. Since January 2020, Mr. Feng has served as deputy chief engineer at Eve Rubber Institute (怡維怡橡膠研究院), being responsible for the technical development management of tyre products and work on new process tyres. He began his career in February 1982 at the Henan tyre factory of the predecessor company of Aeolus Tyre Co., Limited ("**Aeolus Tyre**"), a company with its shares listed on the Shanghai Stock Exchange (stock code: 600469) where he served successively in multiple positions including senior engineer and chief engineer, and later served as deputy general manager and chief engineer of Aeolus Tyre and its predecessor company from December 1999 to October 2016, as Aeolus Tyre's director from June 2003 to December 2011, and its deputy director of the research and development department from October 2016 up to his retirement in October 2017. Since January 2020, he has been an independent non-executive director at Shougang Century Holdings Limited, a company with its shares listed on the Main Board of the Stock Exchange (stock code: 0103).

Mr. Feng graduated from Beijing University of Chemical Technology (北京化工學院) in Beijing, the PRC, with a bachelor's degree in polymer science specialising in rubber products in January 1982. He obtained his professor-level senior engineer qualification in May 2004 from the Henan Engineering Senior Evaluation Committee and has been awarded special government subsidy by the State Council of the PRC as a specialist since October 1993.

The following particulars relating to Mr. Feng are disclosed pursuant to Rule 13.51(2)(n)(iv) of the Listing Rules:

In March 2015, Aeolus Tyre received a decision from the Henan regulatory bureau of the CSRC given that it had violated the "Measures for the Administration of Information Disclosure of Listed Companies" (上市公司信息披露管理辦法). Given this incident, Mr. Feng, being a then senior management of Aeolus Tyre, was ordered to participate in the training of laws and regulations related to listed companies (the "**Order**") and was warned and recorded in the Integrity Archive of Securities and Futures (證券期貨誠信檔案). These measures are administrative regulatory measures issued by the Henan regulatory bureau of the CSRC, and do not constitute any administrative penalties under the relevant laws and

regulations of the PRC. Mr. Feng confirms that (i) he had participated in the relevant training and has fully complied with the Order; (ii) there are no other matters outstanding by Mr. Feng regarding the Order; and (iii) the above incident has been completely settled by Aeolus Tyre.

SENIOR MANAGEMENT

The following table sets out certain information regarding the members of senior management of our Company:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and/or senior management
Ms. Zhang Ning (張宁)	51	Executive Director and chairperson of our Board	August 1999	18 September 2016	Overall strategic development, formulation and decision-making of major business development policies	N/A
Mr. Ding Lin (丁林)	53	Executive Director, vice chairman of our Board and president	November 2021	1 November 2021	Strategy execution and overall operations of our Group	N/A
Mr. Yuan Minjian (袁敏健)	57	Executive Director and vice president	June 2011	23 October 2019	Overall management of the production operations of our Group	N/A
Mr. Yu Yaoming (俞堯明)	55	Executive Director, vice president and chief financial officer	July 2020	6 May 2021	Overall financial management of our Group	N/A
Mr. Tang Jie (湯捷)	50	Executive Director and vice president	August 2006	23 October 2019	Overall sales management of our Group	N/A
Ms. Xu Chongpu (徐重璞)	40	Board secretary	May 2025	15 October 2025	Responsible for information disclosure, investor relations and other Board-related matters	N/A

For the biographies of Ms. Zhang Ning, Mr. Ding Lin, Mr. Yuan Minjian, Mr. Yu Yaoming and Mr. Tang Jie, please refer to the paragraph headed "Board of Directors — Executive Directors" in this section.

Ms. Xu Chongpu (徐重璞), aged 40, has served as the secretary to our Board since October 2025, primarily responsible for responsible for information disclosure, investor relations and other Board-related matters. Ms. Xu has extensive experience in human resources management. She first joined our Group in July 2008 and served successively as a human resources assistant, human resources officer and human resources manager of RA Shanghai Chemical. From July 2018 to April 2020, she had been the securities affairs representative of the Company and rejoined our Group in May 2025.

Ms. Xu obtained a bachelor's degree in law from Shanghai University of Finance and Economics in Shanghai, the PRC in July 2007. Ms. Xu has also obtained the board secretary qualification certificate issued by the Shanghai Stock Exchange and the Shenzhen Stock Exchange in July 2017 and in October 2017, respectively.

General

Save as disclosed above and/or other section in this document as mentioned below, each of our Directors and senior management members confirms with respect to himself or herself that, as at the Latest Practicable Date:

(1) he or she had no relationship with any Director, members of the senior management or substantial Shareholder;

(2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong and/or overseas, and other major appointments and professional qualifications;

(3) except as disclosed herein or under the section headed "Appendix VI — Statutory and General Information — 4. Disclosure of interests" in this document, none of our Directors or members of the senior management had any interest in the Shares within the meaning of Part XV of the SFO;

(4) he/she did not complete his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses;

(5) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there are no other matters and information concerning the appointment of our Directors or members of the senior management that need to be brought to the attention of our Shareholders or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Ms. Xu Chongpu (徐重璞), is one of the joint company secretaries of our Company. Ms. Xu is one of our senior management. Please refer to the paragraph headed "Senior Management" in this section for her biography.

Mr. Wong Chun Wing Samuel (黃俊穎), was appointed as the joint company secretary of our Company on 30 January 2026. Mr. Wong is an assistant manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. He has over eight years of experience in the company secretarial field.

He is currently the company secretary of three companies listed on the Main Board of the Stock Exchange, namely, CMON Limited (stock code: 01792), Qunabox Group Limited (stock code: 00917) and Shandong Gold Mining Co., Ltd. (stock code: 01787).

Mr. Wong is an associate member of The Hong Kong Chartered Governance Institute and associate member of The Chartered Governance Institute in the United Kingdom. He obtained a bachelor's degree of business administration from The Hang Seng University of Hong Kong in November 2017.

BOARD DIVERSITY AND POLICY

We have adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. The Board Diversity Policy provides that our Company should endeavour to ensure that our Board members have the appropriate skills, expertise and diversity of perspectives that are required to support the execution of our business strategy. Pursuant to the Board Diversity Policy, selection of candidates for Directors will be based on a range of diversity perspectives, including but not limited to skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board and the business needs of our Company from time to time. Our Board believes that such merit-based appointments will best enable our Company to serve the Shareholders and other stakeholders going forward.

Our Board comprises nine members, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our Board currently has one female Director. Our Directors have a balanced mix of gender and experiences, including management and strategic development, finance and accounting experiences in addition to chemical manufacturing and engineering. Furthermore, our Board has a good mix of new and experienced Directors, who have valuable knowledge and insights of our Group's business over the years, while the new Directors are expected to bring in fresh ideas and new perspective to our Group.

Our nomination committee is responsible for reviewing the diversity of our Board. After **[REDACTED]**, our nomination committee will (i) report annually, in the corporate governance report contained in our annual report, on our Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy; and (ii) review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy and discuss any revisions that may be required, and recommend any such revisions to our Board for consideration and approval.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. We also reimburse them for expenses which are necessarily and reasonably incurred for executing their functions in relation to our operations. We regularly review and determine the remuneration and compensation packages of our Directors and senior management taking into account factors such as salaries paid by comparable companies, level of responsibilities, employment elsewhere in our Group, the performance of our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, we also participate in various defined contribution plans organised by relevant

provincial and municipal government authorities and welfare schemes for our employees, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The aggregate amounts of remuneration (including salaries, allowances, benefits in kind, performance related bonuses, share based payments, pension scheme contributions and/or social welfare) of our Directors for FY2023, FY2024 and 9M2025 were approximately RMB11.6 million, RMB14.2 million and RMB9.1 million, respectively.

The aggregate amount of remuneration (including salaries, allowances, benefits in kind, performance related bonuses, share based payments, pension scheme contributions and/or social welfare) paid to the five highest paid individuals, excluding Directors and chief executive, for FY2023, FY2024 and 9M2025 were approximately RMB5.8 million, RMB5.3 million and RMB3.2 million, respectively.

It is estimated that remuneration equivalent to approximately RMB11.3 million in aggregate will be paid to our Directors for the year ending 31 December 2026, based on the arrangements in force as at the Latest Practicable Date.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

In order to incentivise employees for their contribution to our Group and to attract and retain suitable personnel to our Group, our Company adopted the 2023 RSA Scheme. Please refer to the section headed "Appendix VI — Statutory and General Information — 5. Our 2023 RSA Scheme" in this document for further details.

For additional information on Directors' and the five highest paid individuals' remuneration during the Track Record Period, please refer to Notes 9 and 10 to the Accountants' Report in Appendix I to this document.

BOARD COMMITTEES

We have established four committees under our Board, namely the audit committee, the remuneration and appraisal committee, the nomination committee and the strategy committee in accordance with relevant laws and regulations of the PRC, the Articles of Association of the Company and the Listing Rules. The membership of such committee are as follows:

	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategic Committee
Executive Directors				
Ms. Zhang Ning	—	—	Member	Chairperson
Mr. Ding Lin	—	Member	—	Member
Mr. Yuan Minjian	—	—	—	—
Mr. Yu Yaoming	—	—	—	—
Mr. Tang Jie	—	—	—	—

	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategic Committee
Non-executive Director				
Mr. Li Xiaoguang	—	—	—	Member
Independent non-executive Directors				
Mr. Zhang Yun	Chairperson	—	Member	—
Mr. Jiang Changjian	Member	Chairperson	—	Member
Mr. Feng Yaoling	Member	Member	Chairperson	—

Each of the above committees has written terms of reference. The functions of the above four committees are summarised as follows:

Audit committee

Our Company has established an audit committee with written terms of reference in compliance with the relevant PRC laws and regulations, and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our audit committee include making recommendations to our Board on the appointment and removal of the external auditor, reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group. Our audit committee comprises Mr. Zhang Yun, Mr. Feng Yaoling and Mr. Jiang Changjian, all being independent non-executive Directors. Mr. Zhang Yun, is the chairman of our audit committee, and he has the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and appraisal committee

Our Company has established a remuneration and appraisal committee with written terms of reference in compliance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our remuneration and appraisal committee include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. Our remuneration and appraisal committee comprises Mr. Ding Lin, being an executive Director, and Mr. Jiang Changjian and Mr. Feng Yaoling, being independent non-executive Directors. Mr. Jiang Changjian is the chairman of our remuneration and appraisal committee.

Nomination committee

Our Company has established a nomination committee with written terms of reference in compliance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of our nomination committee are (i) to review the structure, size and composition (including the skills, knowledge and experiences) of the Board at least annually, assist the Board in maintaining

a board skills matrix, and to make recommendations to the Board on any proposed changes to the Board composition to complement the Group's corporate strategy; (ii) to assess the independence of independent non-executive Directors; (iii) to identify individuals suitably qualified as potential Board members and to select or make recommendation to the Board regarding candidates to fill vacancies on our Board; (iv) to make recommendations to the Board on the appointment and re-appointment of Directors and succession planning of the Directors; and (v) to support the Group's regular evaluation of the Board's performance. Our nomination committee comprises Ms. Zhang, being an executive Director, and Mr. Zhang Yun and Mr. Feng Yaoling, being independent non-executive Directors. Mr. Feng Yaoling is the chairman of the nomination committee.

Strategic Committee

Our Company has established a strategic committee with written terms of reference in compliance with the relevant PRC laws and regulations. The primary function of our strategic committee are, among others, (i) researching and making recommendations on the Company's long-term development strategy and major investment decisions; (ii) researching and making recommendations on major investment and financing proposals requiring Board approval as stipulated in the Articles of Association; (iii) researching and making recommendations on major capital operations and asset management projects requiring Board approval as stipulated in the Articles of Association; (iv) researching and making recommendations on other significant matters affecting the Company's development; and (v) inspecting the implementation of the aforementioned matters. Our strategic committee comprises Ms. Zhang, and Mr. Ding Lin, being executive Directors, Mr. Li Xiaoguang, being a non-executive Director, and Mr. Jiang Changjian, being an independent non-executive Director. Ms. Zhang is the chairperson of the strategic committee.

COMPLIANCE ADVISER

We have appointed Lego Corporate Finance Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us, among others, at the following circumstances:

(1) before the publication of any regulatory announcement, circular or financial report;

(2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;

(3) where our Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and

(4) where the Stock Exchange makes an inquiry of us regarding unusual movements in the **[REDACTED]** or **[REDACTED] [REDACTED]** of our H Shares or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law or regulation in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of appointment our compliance adviser shall commence on the **[REDACTED]** and end on the date of despatch of our annual report in respect of our financial results for the first full financial year commencing after the **[REDACTED]** and such appointment shall be subject to extension by mutual agreement.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 27 January 2026; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date; and (3) that there are no other factors that may affect his independence at the time of his appointment.

Rule 8.10 of the Listing Rules

Please refer to the section headed "Relationship with our Controlling Shareholders — Rule 8.10 of the Listing Rules" in this document for further details.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, have interests and/or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As at the Latest Practicable Date		Immediately following completion of the [REDACTED]		
Name of Shareholder	**Nature of interest**	**Description of Shares**	**Number of Shares held/ interested** *(Note 1)*	**Approximate percentage of shareholding in the total share capital of our Company** *(Note 2)*	**Number of Shares held/ interested** *(Note 1)*	**Approximate percentage of shareholding in the A Shares** *(Note 3)*	**Approximate percentage of shareholding in the total share capital of our Company** *(Note 3)*
Ms. Zhang	Beneficial owner	A Shares	837,500	0.14%	837,500	0.14%	**[REDACTED]**
	Interest in a controlled corporation *(Notes 4, 5)*	A Shares	374,732,700	60.82%	374,732,700	60.82%	**[REDACTED]**
Red Avenue Investment	Beneficial owner *(Note 4)*	A Shares	294,570,000	47.81%	294,570,000	47.81%	**[REDACTED]**
Virgin Holdings	Beneficial owner *(Note 5)*	A Shares	80,162,700	13.01%	80,162,700	13.01%	**[REDACTED]**

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 616,107,972 A Shares in issue as at the Latest Practicable Date.

(3) The calculation is based on the total number of (i) 616,107,972 A Shares in issue; and (ii) **[REDACTED]** H Shares in issue immediately following completion of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised at all and that no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(4) Red Avenue Investment is wholly owned by Ms. Zhang. By virtue of the SFO, Ms. Zhang is taken to be interested in the Shares held by Red Avenue Investment.

(5) Virgin Holdings is held as to (i) 99.9% by Ms. Zhang; and 0.1% by Red Avenue Investment. By virtue of the SFO, Ms. Zhang is taken to be interested in the Shares held by Virgin Holdings.

Save as disclosed in this section, our Directors are not aware of any other persons who will, immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, have interests or short positions in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon the completion of the **[REDACTED]**.

BEFORE THE COMPLETION OF THE [REDACTED]

As at the Latest Practicable Date and immediately prior to the **[REDACTED]**, the registered and issued share capital of our Company was RMB616,107,972, comprising 616,107,972 A Shares with a nominal value RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

UPON THE COMPLETION OF THE [REDACTED]

Assuming the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the registered and issued share capital of our Company immediately after completion of the **[REDACTED]** will be as follows:

Description of shares	Number of Shares	Approximate percentage to total share capital of our Company
A Shares in issue	616,107,972	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**[REDACTED]**

Assuming the **[REDACTED]** is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the registered and issued share capital of our Company immediately after completion of the **[REDACTED]** will be as follows:

Description of shares	Number of Shares	Approximate percentage to total share capital of our Company
A Shares in issue	616,107,972	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**[REDACTED]**

OUR SHARES

Upon completion of the **[REDACTED]**, the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain **[REDACTED]** in the PRC, the qualified PRC **[REDACTED]** under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to **[REDACTED]** our H Shares pursuant to relevant

PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between **[REDACTED]** of the PRC.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Our H Shareholders will receive share dividends in the form of H Shares, and our A Shareholders will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the **[REDACTED]** of our A Shares and H Shares may be different after the **[REDACTED]**. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual **[REDACTED]** in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for **[REDACTED]** on the Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders to **[REDACTED]** H Shares and seek the **[REDACTED]** of the H Shares on the Stock Exchange. Such approval was obtained at the general meeting of our Company held on 30 January 2026 and is subject to the following conditions:

(1) *Type and par value of the shares to be* **[REDACTED]***:* The shares to be **[REDACTED]** in the **[REDACTED]** are overseas-listed shares (H Shares) to be **[REDACTED]** on the Main Board of the Stock Exchange. All of the H Shares are ordinary shares with a nominal or par value of RMB1.00 each, and are subscribed in foreign currency (i.e. Hong Kong dollars).

(2) *Timing of* ***[REDACTED]****:* Our Company shall select an appropriate timing and release window within the validity period of the Shareholders' resolutions to complete the **[REDACTED]**. The exact timing of the **[REDACTED]** shall be determined by the Board and/or the individual(s) authorised by the Board, both

of which are authorised by the Shareholders' resolutions, based on the domestic and international capital market conditions, the approval and filing progress of the **[REDACTED]** and other relevant regulatory authorities within and outside the PRC and other circumstances.

(3) *Place of **[REDACTED]**:* The Main Board of the Stock Exchange.

(4) *Method of **[REDACTED]***: The method of **[REDACTED]** is the **[REDACTED]**, which comprises the **[REDACTED]** and the **[REDACTED]**. The **[REDACTED]** involves the **[REDACTED]** of the **[REDACTED]** for **[REDACTED]** by the **[REDACTED]**, institutional and professional **[REDACTED]** in Hong Kong. The **[REDACTED]** is only **[REDACTED]** to qualified international buyers. According to the practices of the international capital market and the circumstances, the methods of the **[REDACTED]** may include but are not limited to: the **[REDACTED]** of the **[REDACTED] [REDACTED]**.

The specific method for the **[REDACTED]** shall be determined by the Board and/or the individual(s) authorised by the Board, both of which are authorised by the Shareholders' resolutions, in accordance with circumstances including relevant legal provisions, the approval or filing by the **[REDACTED]** and other relevant domestic and foreign regulatory authorities, and the conditions of the domestic and international **[REDACTED]**.

(5) *Size of **[REDACTED]***: Subject to the compliance with the requirements imposed by the Stock Exchange and other regulatory authorities in relation to minimum **[REDACTED]** ratio, **[REDACTED]** and **[REDACTED]** and other requirements (or exemptions therefrom), and taking into account our Company's own funding needs and future capital requirements for business development, the number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]** of the enlarged issued share capital of our Company immediately following the completion of the **[REDACTED]** without taking into account the exercise of the **[REDACTED]**. The **[REDACTED]** will be granted the **[REDACTED]** (exercisable in whole or in part by the **[REDACTED]** at their sole and absolute discretion (for themselves and on behalf of the **[REDACTED]**)) to require the Company to **[REDACTED]** additional number of H Shares, representing **[REDACTED]** of the abovementioned number of H Shares to be **[REDACTED]**.

The final **[REDACTED]** size, **[REDACTED]** ratio, and **[REDACTED]** matters shall be determined by the Board and/or the individual(s) authorised by the Board, both of which are authorised by the Shareholders' resolutions, based on the legal requirements, the approval or filing by the **[REDACTED]**, market conditions and other relevant circumstances. The final number of H Shares to be **[REDACTED]** in the **[REDACTED]** will be determined in accordance with the **[REDACTED]** to be entered into between the Company and the relevant **[REDACTED]**.

The increase in share capital of the Company as a result of the **[REDACTED]** shall be based on the actual number of H Shares **[REDACTED]**, and shall be implemented after obtaining the approval or filing by relevant national regulatory authorities, the Stock Exchange, the SFC and other regulatory authorities.

(6) ***[REDACTED]*** *basis:* The **[REDACTED] [REDACTED]** of the H Shares shall be determined in accordance with international practices, after due consideration of factors including the interests of existing Shareholders, the condition of the **[REDACTED]**, risks involved in the **[REDACTED]** and acceptability of **[REDACTED]**, with reference to the market **[REDACTED]** situation, results of **[REDACTED]**, by way of **[REDACTED]**, and shall be determined by the Board and/or the individual(s) authorised by the Board, both of which are authorised by the Shareholders' resolutions, and in consultation with the **[REDACTED]** in accordance with legal requirements, the approval or filing by relevant regulatory authorities, and market conditions.

(7) *Target* ***[REDACTED]****:* The target **[REDACTED]** of the **[REDACTED]** are **[REDACTED]** participating in the **[REDACTED]**, other qualified non-PRC **[REDACTED]** (for the sole purpose of the **[REDACTED]** and the **[REDACTED]**, including those in Hong Kong, the Macau and Taiwan and foreign countries), **[REDACTED]** entitled to **[REDACTED]** abroad in overseas securities under relevant PRC laws and regulations, and other **[REDACTED]** that meet regulatory requirements. The target **[REDACTED]** will be determined by the Board and the individual(s) authorised by the Board, both of which are authorised by the Shareholders' resolutions, in accordance with the requirements of relevant laws and regulations, the approvals or filings by relevant domestic and foreign regulatory authorities, and market conditions.

(8) **[REDACTED]**

(9) ***[REDACTED]***: The **[REDACTED]** will be **[REDACTED]** by an **[REDACTED]** **[REDACTED]** led by the **[REDACTED]**. The details of **[REDACTED]** arrangements will be determined by the Board and/or the individual(s) authorised by the Board, both of which are authorised by the Shareholders' resolutions, in accordance with the condition of the **[REDACTED]**, the progress of the approval by relevant domestic and foreign regulatory authorities, and other relevant circumstances.

(10) *Validity period*: The validity period of the approval in relation to the **[REDACTED]** shall be 24 months from the date on which such matters were approved at the Shareholders' meeting held on 30 January 2026. If our Company has obtained the approval or filing for the **[REDACTED]** and the **[REDACTED]** of H Shares from relevant regulatory authorities (including the CSRC, the SFC and the Stock Exchange) within such validity period, the validity period of the resolution will be automatically extended to the later of the completion date of this **[REDACTED]** and the **[REDACTED]** and the exercise of the **[REDACTED]** (if any).

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS' MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting are required, please see the paragraph headed "Appendix V — Summary of the Articles of Association — "5. Shareholders" and "6. Shareholders' Meetings" in this document.

SHARE SCHEME

For details of the 2023 RSA Scheme, please see the section headed "Appendix V — Summary of the Articles of Association — 5. Our 2023 RSA Scheme" in this document.

The following discussion and our analysis should be read in conjunction with our consolidated financial statements set forth in the Accountants' Report presented in Appendix I to this document and the accompanying notes. Our consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis we made in the light of our experience and perception of historical trends, current conditions and expected future developments, and such other factors as may be deemed appropriate by us under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are a leading comprehensive new materials service provider in the PRC focusing on advanced chemical products. We are primarily engaged in the R&D, production marketing, sales and distribution of new chemical materials. During the Track Record Period, our principal businesses comprised three segments, namely (i) electronic materials; (ii) rubber additives for tyres and other chemical products; and (iii) fully biodegradable materials. With respect to electronic materials, we ranked first, in terms of sales revenue, among PRC suppliers in both the PRC semiconductor photoresist market and the PRC TFT array photoresist market in 9M2025. On the other hand, with respect to our rubber additives for tyres and other chemical products segment, according to the F&S Report, we ranked first in sales revenue in both the global and PRC phenolic resins rubber additives for tyres markets in 9M2025. In addition, based on the statistics issued by Rubber Chemicals Additives Committee of the China Rubber Industry Association (中國橡膠工業協會橡膠助劑專業委員會), we ranked first among all producers for phenolic resin for rubber in the PRC in 2024.

For FY2023, FY2024 and 9M2025, our revenue amounted to approximately RMB2,937.3 million, RMB3,263.4 million and RMB2,517.5 million respectively, where we recorded profit for the year/period of RMB404.1 million, RMB534.2 million and RMB521.6 million respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are the principal factors that have affected, and will continue to affect, our business performance, results of operations, financial position and prospects:

Ability to generate additional revenue by deepening our engagement with existing customers and attracting new customers

Our revenue had been on the rise throughout the Track Record Period: it increased by approximately RMB326.0 million or 11.1% from RMB2,937.3 million for FY2023 to RMB3,263.4 million for FY2024, and by RMB97.8 million or 4.0% from RMB2,419.6 million for 9M2024 to RMB2,517.5 million for 9M2025. The growth trend in our revenue was to a material extent driven by our ability to maintain sound business relationships with and, where possible, expanding and extending dealings with our existing customers and also to attract new customers.

We have built a high-quality customer base globally covering industry leading players in the automobile tyres, semiconductors and display panels industries. Particularly, we have established ongoing business relationships with numerous well-known domestic and overseas tyre manufacturers, covering the world's top 20 tyre manufacturers, which together account for over 70% of the market share of the global tyre industry. Our customers also include various leading 8- and 12-inches wafer fabrication manufacturers in the PRC. Our business dealings with a number of our top five customers during the Track Record Period have been long-standing.

We take customer engagement seriously, with a view to enhancing customer satisfaction and driving long-term retention. As we transact with our customers, we seek to gain a thorough understanding of their expectations and requirements and focus on addressing their needs to the fullest possible extent. We also explore from time to time the possibility to scale up the business dealings with our existing customers in terms of transaction volume and/or scope of products supplied, in a way that aligns with the customers' actual demand. By building up our word-of-mouth publicity and availing ourselves of our already well-developed brand awareness and market recognition, we aspire to further broaden our customer base and thereby increase our market coverage and revenue sources through entering into business relationships with those leading players in the downstream industries that are not already included in our customer base.

We are positive that our efforts to maintain and deepen business relationships with our existing customers and to acquire new customers will provide momentum for continuous growth in our business and results of operations.

Ability to Continue to Innovate and Enrich Our Product Offerings

As a leading new chemical materials provider in the PRC, we offer a range of advanced chemical products to our customers, including, among other things, (i) semiconductor materials (such as semiconductor photoresists, CMP polishing pads, high-purity solvents and EBR) and display panel materials (such as display photoresists, organic insulating films and light-emitting materials) for use in production of semiconductors and display panels, under our electronic materials segment; (ii) phenolic resins (such as tackifying resins, reinforcing resins and adhesive resins) and PTBP for use in production of automobile tyres and other rubber products to optimise various properties of rubber products, under our rubber additives for tyres and other chemical products business segment; and (iii) PBAT products for use in packaging materials, agricultural mulch films and biodegradable medical materials, under our fully biodegradable materials segment. We are capable of providing tailored formulation and/or specifications to suit our customers' diverse needs; as at 30 September 2025, we had over 900 SKUs on offer across our three business segments. Our continued growth depends, in part, on our ability to continue to improve the variety and applications of our chemical products in a way that caters for the evolving needs in the market, which will enable us to broaden our customer base, increase our market share and reinforce our leading position in the industry.

Research and development projects on advanced chemical products are characterised by a number of major challenges, including long development cycles, high technological intensity, uncertainties over accreditation and commercialisation of the research and development outcomes and the extended time required to build a sizeable pool of talents with the requisite technical expertise. To secure our competitive advantage, we have endeavoured to maintain or further promote our rate of technological and product innovations by establishing an open, interactive research and development ecosystem that

features deep integration of and cooperation between the manufacturing, academic, research and end-user sectors. Through our professional research and development platform that incorporates development of electronic-grade resin, key photoresist materials and applications of electronic chemical products, we seek to consolidate our research and development resources in the fields of semiconductor photoresist, display panel photoresist and other electronic materials, such that we could take advantage of the complementarity and synergy generated.

As we offer a diverse portfolio of advanced chemical products for various industrial applications, our gross profit margin may vary across business segments and product types, owing to a basket of factors such as state of technological development, demand and prevailing market price in the relevant market, stages in the product life cycle and availability of competing products. Revisions to our product mix, whether in response to changes in our business strategies, the global and domestic market conditions or government policies or other factors, may affect our results of operations over time. We intend to continually monitor and adjust our product mix to maximise our revenue and profitability.

Cost Control and Operational Efficiency

Our ability to achieve and maintain profitability depends to a material extent on our ability to control our costs and expenses and enhance our operating efficiency. For FY2023, FY2024 and 9M2025, our cost of sales were approximately RMB2,252.3 million, RMB2,467.5 million and RMB1,883.1 million, among which our raw material costs amounted to RMB1,813.2 million, RMB1,999.1 million and RMB1,557.1 million, representing 80.5%, 81.0% and 82.7% of our cost of sales respectively. The principal raw materials used in our production process include phenol (苯酚), alkylphenol (烷基酚), isobutene (異丁烯), diisobutylene (二異丁烯), resorcinol (間苯二酚) and formaldehyde (甲醛), most of which are derived from operations in the petrochemical and other basic chemical industries. Our raw materials costs are largely influenced by reforms of the upstream businesses, the economic cycle and developments in the global market. Fluctuations in prices of oil and basic chemicals and instability in supply chain could potentially drive up our raw material costs. On account of that, we maintain a reasonable level of safety stock in respect of those types of raw materials that are likely to exhibit significant cyclical price fluctuations; we also adopt a dynamic pricing mechanism under which the selling price of our products may be linked to the corresponding raw material costs and adjusted as appropriate from time to time.

On top of the above, our operating expenses, comprising selling and marketing expenses, administrative expenses and research and development expenses, are another item that could have a considerable bearing on our profitability. For FY2023, FY2024 and 9M2025, we recorded operating expenses in the aggregate amount of approximately RMB455.9 million, RMB523.2 million and RMB411.6 million, representing 15.5%, 16.0% and 16.3% of our revenue respectively. Our ability to improve operational efficiency and maintain effective control over our operating costs will be critical to improvement in our results of operations.

Macroeconomic Conditions

Our results of operations depend on a number of macroeconomic factors, including the global economic conditions, development of global trade policies, and changes in the regulatory environment and economic condition of our targeted markets.

Positioned in the midstream of the industry chain, we supply functional resins, photoresists and ancillary chemical products primarily to customers operating in the downstream semiconductor, display panel, tyre and automobile industries. Any volatility or adverse development in geopolitical condition, foreign exchange market or international trade relations may have an impact on product demand in the downstream industries at both domestic and international levels, which would in turn take a toll on our sales and profitability.

Further, while the PRC has been our major targeted geographical market, throughout the Track Record Period, a not insignificant part of our revenue was derived from sales to the overseas market. For FY2023, FY2024 and 9M2025, our overseas sales accounted for approximately 18.7%, 19.0% and 18.8% of our revenue respectively. Any change in global trade policies, such as tightening of import and export restrictions, or any economic recession in the global market or our targeted geographic markets could materially affect our overseas sales and operations.

It is therefore imperative that we keep a close watch on developments in the macroeconomic condition and relevant policy trends, conduct thorough market analysis from time to time and complete our strategic planning for each development stage and period well in advance to ensure that our business strategies are well adapted to cope with the risks associated with uncertainties in the macroeconomic condition.

BASIS OF PREPARATION

The financial information as set forth in the Accountants' Report presented in Appendix I to this document has been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of such financial information throughout the Track Record Period.

The financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and bills receivables measured at fair value through other comprehensive income, which have been measured at fair value.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Set forth below is a summary of the material accounting policies and estimates adopted by us in preparation of the financial information. For full details of our material accounting policy information and significant accounting judgements and estimates, please see notes 2.3 and 3 to the Accountants' Report presented in Appendix I to this document.

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

We sell rubber additives for tyres and other chemical products, electronic materials including semiconductor photoresist, display panel photoresist and fully biodegradable materials to customers. Revenue from the sale of products is recognised at the point in time when control of the products is transferred to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Other Income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to our Group and the amount of the dividend can be measured reliably.

Share-based Payments

Our Company operates two share award schemes during the Track Record Period, namely the 2021 RSA Scheme and the 2023 RSA Scheme, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our Group's operations. Employees (including directors) of our Group receive remuneration in the form of share-based payments, whereby employees render services as consideration in exchange for equity instruments (the "**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer based on a recent transaction price with our investors, further details of which are given in note 37 to the Accountants' Report presented in Appendix I to this document.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each financial year/period during the Track Record Period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either our Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Fair Value Measurement

We measure our equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and bills receivables measured at fair value at the end of each financial year/period within the Track Record Period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by our Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year/period within the Track Record Period.

Property, Plant and Equipment and Depreciation

Property, plant and equipment ("**PPE**"), other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, we recognise such parts as individual assets with specific useful lives and depreciate them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.0% to 6.3%
Machinery	4.5% to 19.0%
Electronic devices	18.0% to 31.7%
Vehicles	18.0% to 23.8%
Office equipment and other equipment	18.0% to 31.7%
Others	20.0% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year/period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the financial year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is re-classified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment Properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

We use the cost model for the subsequent measurement of investment properties, and adopt a depreciation or amortisation policy for the investment properties which is consistent with that for buildings use rights.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from the sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognised in profit or loss for the current period. The estimated useful life of our investment properties is 20 years.

Estimation Uncertainty

The preparation of the financial information as set forth in the Accountants' Report presented in Appendix I to this document requires our management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each financial year/period during the Track Record Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for Expected Credit Losses on Trade Receivables and Other Receivables

We use a provision matrix to calculate expected credit losses ("**ECLs**") for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type).

The provision matrix is initially based on our historical observed default rates. We calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At the end of each financial year/period within the Track Record Period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on our trade receivables and other receivables are disclosed in note 25 and note 26 to the Accountants' Report presented in Appendix I to this document respectively.

Impairment of Non-Financial Assets (other than Goodwill)

We assess whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each financial year/period within the Track Record Period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's-length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of Goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are set out in note 17 to the Accountants' Report presented in Appendix I to this document.

Fair Value of Equity Investments Designated at Fair Value through Other Comprehensive Income and Financial Assets at Fair Value through Profit or Loss

Fair value of equity investments designated at fair value through other comprehensive income and the financial assets at fair value through profit or loss have been valued based on a market-based valuation technique as set out in note 46 to the Accountants' Report presented in Appendix I to this document. The valuation requires us to determine the comparable public companies (peers) and select the price multiple. In addition, we make estimates about the discount for illiquidity and size differences. We classify the fair value of these investments as Level 2 or Level 3. Further details are set out in notes 21 and 22 to the Accountants' Report presented in Appendix I to this document.

DESCRIPTION OF SELECTED COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Set forth below is a summary of our consolidated statements of profit or loss for each financial year/period during the Track Record Period. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
					(unaudited)		(unaudited)	
Revenue	2,937,334	100.0	3,263,380	100.0	2,419,641	100.0	2,517,471	100.0
Cost of sales	(2,252,274)	(76.7)	(2,467,523)	(75.6)	(1,804,545)	(74.6)	(1,883,148)	(74.8)
Gross profit	685,060	23.3	795,857	24.4	615,096	25.4	634,323	25.2
Other income and gains	62,504	2.1	168,053	5.1	135,950	5.6	79,691	3.2
Other expenses	(14,978)	(0.5)	(108,650)	(3.3)	(109,555)	(4.5)	(15,030)	(0.6)
Selling and marketing expenses	(92,430)	(3.1)	(112,039)	(3.4)	(81,083)	(3.4)	(84,777)	(3.4)
Administrative expenses	(183,670)	(6.3)	(194,582)	(6.0)	(142,886)	(5.9)	(149,384)	(5.9)
Research and development expenses	(179,780)	(6.1)	(216,572)	(6.6)	(147,938)	(6.1)	(177,392)	(7.0)
Fair value gains/(losses) on financial assets at fair value through profit or loss	12,058	0.4	1,836	0.1	(5,879)	(0.2)	—	—
(Reversal of impairment loss)/ Impairment losses on financial assets, net	(4,281)	(0.1)	(806)	(0.0)	(1,027)	(0.0)	447	0.0
Finance costs	(84,085)	(2.9)	(97,323)	(3.0)	(68,131)	(2.8)	(80,214)	(3.2)
Share of profits of associates	226,587	7.7	314,392	9.6	286,818	11.9	329,634	13.1
Profit before tax	426,985	14.5	550,166	16.9	481,365	19.9	537,298	21.3
Income tax	(22,867)	(0.8)	(15,981)	(0.5)	(14,038)	(0.6)	(15,694)	(0.6)
Profit for the year/period	**404,118**	**13.8**	**534,185**	**16.4**	**467,327**	**19.3**	**521,604**	**20.7**
Attributable to:								
Owners of the parent	406,598	13.8	516,772	15.8	453,320	18.7	511,257	20.3
Non-controlling interests	(2,480)	(0.1)	17,413	0.5	14,007	0.6	10,347	0.4
	404,118	13.8	534,185	16.4	467,327	19.3	521,604	20.7

Revenue

For FY2023, FY2024, 9M2024 and 9M2025, we recorded revenue of approximately RMB2,937.3 million, RMB3,263.4 million, RMB2,419.6 million and RMB2,517.5 million respectively, which were generated from our sales of products including rubber additives for tyres and other chemical products, electronic materials and fully biodegradable materials. Please see the section headed "Business — Our Business Model" in this document for further details.

Revenue by Segment

The following table sets forth a breakdown of our revenue by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Electronic materials	561,490	19.1	744,853	22.8	540,915	22.4	700,396	27.8
Rubber additives for tyres and other chemical products	2,275,508	77.5	2,437,747	74.7	1,840,211	76.0	1,753,146	69.7
Fully biodegradable materials	100,336	3.4	80,780	2.5	38,515	1.6	63,929	2.5
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Note: The revenue of each business segment and our Group presented in the table above is the revenue after elimination of all inter-segment sales and comprises sales to external customers only.

During the Track Record Period, we generated a large majority of our revenue from sales of rubber additives for tyres and other chemical products, which accounted for approximately 77.5%, 74.7%, 76.0% and 69.7% of our total revenue for FY2023, FY2024, 9M2024 and 9M2025 respectively. Meanwhile, our electronic materials segment had exhibited robust growth with rising revenue contribution in both monetary and percentage terms, which was primarily attributable to (i) the growth in demand for our semiconductor photoresists leveraging the rapid development of the semiconductor memory industry; (ii) the growth in demand for our display photoresists owing to, among other things, expansion of the electric vehicle industry and national subsidy policies in respect of the downstream mobile phone and household appliance industries; and (iii) the expansion in actual production volume of our photoresist products.

The table below sets forth a breakdown of the sales volume and average selling price of our products by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	Sales volume	Average Selling price	Sales volume	Average Selling price	Sales volume	Average Selling price	Sales volume	Average Selling price
	tonnes '000	*RMB'000*	*tonnes '000*	*RMB'000*	*tonnes '000*	*RMB'000*	*tonnes '000*	*RMB'000*
Electronic materials	12.2	44.3	16.2	46.1	12.0	45.1	13.0	53.9
Rubber additives for tyres and other chemical products	138.9	16.2	154.7	15.8	117.2	15.7	118.3	14.8
Fully biodegradable materials	9.7	10.7	8.4	9.6	3.7	10.4	7.3	8.8

During the Track Record Period, the average selling price of our chemical products had been mostly stable across our business segments. The only exception was the relatively significant increase in the average selling price of our electronic materials from approximately RMB45,100 per tonne for 9M2024 to RMB53,900 per tonne for 9M2025, which was primarily attributable to the change in product mix with increased revenue contribution from ArF and KrF photoresist products.

Revenue by Geographical Location

The following table sets forth a breakdown of our revenue by geographical location, based on the locations of our customers, during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Chinese Mainland	2,388,611	81.3	2,644,288	81.0	1,966,045	81.3	2,045,163	81.2
Southeast Asia	222,462	7.6	254,915	7.8	181,160	7.5	208,328	8.3
Japan and Korea	132,340	4.5	157,432	4.8	109,310	4.5	108,795	4.3
Others *(Note)*	193,921	6.6	206,745	6.3	163,126	6.7	155,185	6.2
Total	**2,937,334**	**100.0**	**3,263,380**	**100.0**	**2,419,641**	**100.0**	**2,517,471**	**100.0**

Note: Other geographical locations to which sales had been made during the Track Record Period included (but were not limited to) India, Europe and America.

During the Track Record Period, we derived a large majority of our revenue from our sales to customers in the PRC, which accounted for approximately 81.3%, 81.0%, 81.3% and 81.2% of our total revenue for FY2023, FY2024, 9M2024 and 9M2025 respectively.

Cost of Sales

Our total cost of sales were approximately RMB2,252.3 million, RMB2,467.5 million, RMB1,804.5 million and RMB1,883.1 million for FY2023, FY2024, 9M2024 and 9M2025 respectively.

The following table sets forth a breakdown of our cost of sales by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Electronic materials	410,985	18.2	515,234	20.9	368,039	20.4	508,528	27.0
Rubber additives for tyres and other chemical products	1,708,057	75.8	1,815,118	73.6	1,349,694	74.8	1,291,028	68.6
Fully biodegradable materials.	133,231	5.9	137,171	5.6	86,813	4.8	83,592	4.4
Total	**2,252,274**	**100.0**	**2,467,523**	**100.0**	**1,804,545**	**100.0**	**1,883,148**	**100.0**

The following table sets forth the major components of our cost of sales during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Raw materials	1,813,216	80.5	1,999,072	81.0	1,461,167	81.0	1,557,126	82.7
Manufacturing overheads	152,456	6.8	152,831	6.2	110,458	6.1	89,311	4.7
Salaries	120,030	5.3	130,555	5.3	91,386	5.1	94,997	5.0
Depreciation and amortisation	86,740	3.9	91,948	3.7	71,887	4.0	73,828	3.9
Others	79,831	3.5	93,117	3.8	69,646	3.9	67,886	3.6
Total	**2,252,274**	**100.0**	**2,467,523**	**100.0**	**1,804,545**	**100.0**	**1,883,148**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit was approximately RMB685.1 million, RMB795.9 million, RMB615.1 million and RMB634.3 million for FY2023, FY2024, 9M2024 and 9M2025 respectively. Our overall gross profit margin remained relatively stable during the Track Record Period. For FY2023, FY2024, 9M2024 and 9M2025, we recorded a gross profit margin of approximately 23.3%, 24.4%, 25.4% and 25.2% respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Electronic materials	150,505	26.8	229,619	30.8	172,876	32.0	191,868	27.4
Rubber additives for tyres and other chemical products	567,451	24.9	622,629	25.5	490,517	26.7	462,118	26.4
Fully biodegradable materials	(32,895)	(32.8)	(56,391)	(69.8)	(48,298)	(125.4)	(19,663)	(30.8)
Total	**685,060**	**23.3**	**795,857**	**24.4**	**615,096**	**25.4**	**634,323**	**25.2**

We recorded gross losses from our fully biodegradable materials segment in the Track Record Period, primarily because the operation of our PBAT production line had been suspended due to low market demand for a certain period of time within each financial year/period, during which we continued to incur manufacturing overheads and record depreciation and amortisation.

Other Income and Gains

For FY2023, FY2024, 9M2024 and 9M2025, our other income and gains were approximately RMB62.5 million, RMB168.1 million, RMB136.0 million and RMB79.7 million respectively.

The following table sets forth a breakdown of our other income and gains during the Track Record Period:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Other income								
Government grants	26,911	43.1	23,520	14.0	9,940	7.3	26,269	33.0
Bank interest income	20,775	33.2	27,014	16.1	18,089	13.3	27,812	34.9
Dividend income	4,925	7.9	1,860	1.1	1,860	1.4	450	0.6
Rental income	188	0.3	812	0.5	585	0.4	585	0.7
Additional deduction for value-added tax	—	—	12,824	7.6	9,897	7.3	9,761	12.2
Others	1,296	2.1	986	0.6	839	0.6	408	0.5
Total other income	54,095	86.5	67,016	39.9	41,210	30.3	65,285	81.9

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Other gains								
Gains on disposal of investments in an associate	—	—	—	—	—	—	14,406	18.1
Gains on disposal of items of property, plant and equipment	—	—	—	—	123	0.1	—	—
Bargain purchase gain arising from investment in an associate	—	—	96,750	57.6	94,617	69.6	—	—
Exchange gains, net	7,794	12.5	4,287	2.5	—	—	—	—
Gains on disposal of debt instruments at fair value through other comprehensive income	615	1.0	—	—	—	—	—	—
Total other gains	8,409	13.5	101,037	60.1	94,740	69.7	14,406	18.1
Total other income and gains	**62,504**	**100.0**	**168,053**	**100.0**	**135,950**	**100.0**	**79,691**	**100.0**

Selling and Marketing Expenses

For FY2023, FY2024, 9M2024 and 9M2025, our selling and marketing expenses were approximately RMB92.4 million, RMB112.0 million, RMB81.1 million and RMB84.8 million, representing 3.1%, 3.4%, 3.4% and 3.4% of our total revenue respectively.

The following table sets forth a breakdown of our selling and marketing expenses during the Track Record Period, both in actual terms and as a percentage of our total selling and marketing expenses:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Salaries	48,152	52.1	62,082	55.4	43,775	54.0	46,312	54.6
Business development expenses	9,265	10.0	9,273	8.3	6,808	8.4	7,029	8.3
Commission fees	8,442	9.1	9,542	8.5	7,772	9.6	8,810	10.4
Depreciation and amortisation	7,555	8.2	9,386	8.4	6,834	8.4	6,704	7.9
Travelling expenses	6,210	6.7	6,457	5.8	4,737	5.8	5,006	5.9
Others *(Note)*	12,806	13.9	15,299	13.7	11,157	13.8	10,916	12.9
Total	**92,430**	**100.0**	**112,039**	**100.0**	**81,083**	**100.0**	**84,777**	**100.0**

Note: Other selling and marketing expenses mainly included sample costs and warehousing costs.

Administrative Expenses

For FY2023, FY2024, 9M2024 and 9M2025, our administrative expenses were approximately RMB183.7 million, RMB194.6 million, RMB142.9 million and RMB149.4 million, representing 6.3%, 6.0%, 5.9% and 5.9% of our total revenue respectively.

The following table sets forth a breakdown of our administrative expenses during the Track Record Period, both in actual terms and as a percentage of our total administrative expenses:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Salaries	80,895	44.0	101,308	52.1	76,377	53.5	74,237	49.7
Depreciation and amortisation	26,157	14.2	26,547	13.6	18,459	12.9	20,924	14.0
Professional service expenses	21,068	11.5	23,328	12.0	15,846	11.1	15,571	10.4
Office and travelling expenses	11,687	6.4	14,569	7.5	9,489	6.6	8,106	5.4
Business development expenses	3,390	1.8	4,201	2.2	2,502	1.8	5,453	3.7
Lease expenses	3,263	1.8	3,125	1.6	2,411	1.7	1,985	1.3
Tax additions	8,050	4.4	8,692	4.5	6,390	4.5	7,671	5.1
Others *(Note)*	29,160	15.9	12,812	6.6	11,412	8.0	15,437	10.3
Total	**183,670**	**100.0**	**194,582**	**100.0**	**142,886**	**100.0**	**149,384**	**100.0**

Note: Other administrative expenses mainly included maintenance expenses, insurance expenses and trade union operating funds.

Research and Development Expenses

For FY2023, FY2024, 9M2024 and 9M2025, our research and development expenses were approximately RMB179.8 million, RMB216.6 million, RMB147.9 million and RMB177.4 million, representing 6.1%, 6.6%, 6.1% and 7.0% of our total revenue respectively.

The following table sets forth a breakdown of our research and development expenses during the Track Record Period, both in actual terms and as a percentage of our total research and development expenses:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Salaries	65,781	36.6	83,372	38.5	61,979	41.9	64,218	36.2
Materials used for research and development	53,106	29.5	69,746	32.2	38,356	25.9	59,908	33.8
Depreciation and amortisation	34,209	19.0	36,987	17.1	25,061	16.9	25,451	14.3
Others *(Note)*	26,684	14.8	26,468	12.2	22,542	15.2	27,815	15.7
Total	**179,780**	**100.0**	**216,572**	**100.0**	**147,938**	**100.0**	**177,392**	**100.0**

Note: Other research and development expenses mainly included testing fees, equipment maintenance expenses and travelling expenses.

Fair Value Gains or Losses on Financial Assets at Fair Value through Profit or Loss

Our fair value gains or losses on financial assets at fair value through profit or loss were associated with fair value changes of our investments in certain listed or unlisted entities, limited partnership or investment funds established and/or operating in the PRC, in which we had a shareholding ranging from 2.59% to 23.06% as at 30 September 2025:

No.	Name	Percentage of shareholding held by us as at 30 September 2025	Business nature
1.	Shanghai Qingdian Investment Partnership (Limited Partnership)* (上海青典投資合夥企業(有限合夥))	3.88%	A limited partnership with investments in advanced manufacturing companies in Western Europe
2.	Ningbo Kingpont New Material Technology Co., Ltd (寧波勤邦新材料科技股份有限公司)	2.59%	An unlisted company principally engaged in the photovoltaic industry
3.	Suzhou Puhua Quanxin Investment Partnership (Limited Partnership)* (蘇州璞華荃芯投資合夥企業(有限合夥))	23.06%	A limited partnership, with investments in a globally leading chip design company specialising in the communication semiconductor industry

Note: During FY2023 and part of FY2024, our financial assets at fair value through profit or loss also included our investment in the shares of Prinx Chengshan, a company listed on the Main Board of the Stock Exchange (stock code: 1809) principally engaged in manufacture and sales of tyres and rubber products. We acquired additional shares in Prinx Chengshan and the right to appoint a non-executive director to its board of directors in FY2024, as a result of which it became classified as an associate of us and our investments in its listed shares were re-classified from the current portion of financial assets at fair value through profit or loss to investments in associates from completion of the acquisition in FY2024 onwards.

Such fair value changes were primarily driven by fluctuations in the market value of our investments. For FY2023, FY2024 and 9M2024, we registered a fair value gain of approximately RMB12.1 million, gain of RMB1.8 million and loss of RMB5.9 million on financial assets at fair value through profit or loss respectively. For 9M2025, no such fair value gain or loss was recorded.

Net Impairment Losses on Financial Assets or Reversal of Impairment Loss

Our financial assets including trade and bill receivables, prepayments, other receivables and other assets are subject to impairment. For FY2023, FY2024, and 9M2024, we recorded net impairment losses on financial assets of approximately RMB4.3 million, RMB0.8 million and RMB1.0 million, representing 0.1%, 0.02% and 0.04% of our total revenue respectively. During 9M2025, we recorded a net reversal of impairment losses on financial assets of approximately RMB0.4 million, which was attributable to net reversal of impairment losses on trade receivables due to accelerated collection of trade receivables and improvements in the overall ageing position.

Other Expenses

For FY2023, FY2024, 9M2024 and 9M2025, our other expenses were approximately RMB15.0 million, RMB108.7 million, RMB109.6 million and RMB15.0 million, representing 0.5%, 3.3%, 4.5% and 0.6% of our total revenue respectively.

The following table sets forth a breakdown of our other expenses during the Track Record Period, both in actual terms and as a percentage of our total other expenses:

	FY2023		FY2024		9M2024		9M2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Exchange losses, net	—	—	—	—	13,680	12.5	7,679	51.1
Donations	—	—	11,063	10.2	55	0.1	6,085	40.5
Losses on disposal of items of property, plant and equipment	7,362	49.1	804	0.7	363	0.3	809	5.4
Impairment losses on property, plant and equipment	—	—	94,792	87.3	94,792	86.5	—	—
Losses on disposal of a subsidiary	7,216	48.2	—	—	—	—	—	—
Others	400	2.7	1,991	1.8	665	0.6	457	3.0
Total	**14,978**	**100.0**	**108,650**	**100.0**	**109,555**	**100.0**	**15,030**	**100.0**

Finance Costs

For FY2023, FY2024, 9M2024 and 9M2025, our finance costs were approximately RMB84.1 million, RMB97.3 million, RMB68.1 million and RMB80.2 million, representing 2.9%, 3.0%, 2.8% and 3.2% of our total revenue respectively.

The following table sets forth a breakdown of our finance costs during the Track Record Period, both in actual terms and as a percentage of our total finance costs:

	FY2023	**FY2024**	**9M2024**	**9M2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Interest on interest-bearing bank and other borrowings	99,024	104,913	73,718	81,569
Interest on lease liabilities	943	2,475	1,834	2,872
	99,967	107,388	75,552	84,441
Less: Interest capitalised	(15,882)	(10,065)	(7,421)	(4,227)
Total	**84,085**	**97,323**	**68,131**	**80,214**

Share of Profits of Associates

For FY2023, FY2024, 9M2024 and 9M2025, our share of profits of associates amounted to approximately RMB226.6 million, RMB314.4 million, RMB286.8 million and RMB329.6 million respectively, which was attributable to our investments in Zhongce Rubber, Prinx Chengshan and other associates that were not individually material during

the Track Record Period. For further details of our invested associates, please refer to the paragraphs headed "Discussion of Certain Key Items of Consolidated Statements of Financial Position — Investments in Associates" in this section.

Income Tax

Income tax for a financial year/period represents the total of our current income tax and deferred income tax for that financial year/period pursuant to the applicable income tax rules and regulations in the relevant jurisdictions. For FY2023, FY2024, 9M2024 and 9M2025, our income tax expenses were approximately RMB22.9 million, RMB16.0 million, RMB14.0 million and RMB15.7 million, representing 0.8%, 0.5%, 0.6% and 0.6% of our total revenue respectively.

Our Group is subject to income tax on an entity basis on profits arising in or derived from the countries our jurisdictions in which members of our Group are domiciled and/or operate, including the following:

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations, our subsidiaries operating in the Chinese Mainland are subject to the statutory tax rate of 25% on the taxable income, except for those which are subject to tax concessions as set forth below:

— those subsidiaries that have qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%;

— for certain subsidiaries with annual taxable income less than RMB1,000,000, 75% of such income was exempt from corporate income tax and the remaining 25% of such income was chargeable to corporate income tax at the preferential rate of 20% for the period from 1 January 2023 to 31 December 2027; and

— for certain subsidiaries which met the criteria for being classified as "small-scale and minimal-profit" enterprises, 75% of the portion of annual taxable income within the band of RMB1,000,000 to RMB3,000,000 was exempt from corporate income tax and the remaining 25% of such portion of the income was chargeable to corporate income tax at the preferential rate of 20% from 2022 to 2024. The portion of annual taxable income of such subsidiaries in excess of RMB3,000,000 was chargeable to corporate income tax at the standard rate of 25%.

Hong Kong

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

Overseas

Our overseas subsidiaries are subject to income tax at rates ranging from 12% to 17%.

Profit for the Year/Period

For FY2023, FY2024, 9M2024 and 9M2025, we recorded profit of approximately RMB404.1 million, RMB534.2 million, RMB467.3 million and RMB521.6 million respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Comparison of Results of Operations for 9M2025 and 9M2024

Revenue

Our revenue increased by approximately RMB97.8 million or 4.0% from RMB2,419.6 million for 9M2024 to RMB2,517.5 million for 9M2025. Specifically,

(i) our revenue from sales of electronic materials increased by approximately RMB159.5 million or 29.5% from RMB540.9 million for 9M2024 to RMB700.4 million for 9M2025, which was primarily attributable to (a) the progress we made with a number of research and development projects on semiconductor photoresists; and (b) the growth in demand for display photoresists, where we were able to reap benefits given the brand awareness and market recognition we enjoy as a leading local supplier of positive photoresists for LCDs in the PRC and the first PRC manufacturer to achieve commercialisation of locally made positive photoresists for array applications;

(ii) our revenue from sales of fully biodegradable materials increased by RMB25.4 million or 66.0% from RMB38.5 million for 9M2024 to RMB63.9 million for 9M2025, which was primarily attributable to (a) our effort to promote application of agricultural mulch films in the existing fields; (b) our notable research and development output, including, among other things, food packaging materials with high transparency that match the expectations and requirements of customers under varying circumstances in the PRC and overseas markets alike; and (c) the recognition we were able to gain from an increased number of customers in respect of product quality; and

(iii) the increases in revenue generated by the above business segments were partially offset by the decrease in sales of rubber additives for tyres and other chemical products of RMB87.1 million or 4.7% from RMB1,840.2 million for 9M2024 to RMB1,753.1 million for 9M2025, which was primarily attributable to the downturn in the industry caused by a variety of factors, such as the fluctuations in raw material costs triggering corresponding adjustments to our selling prices, and the drop in profitability of tyre manufacturers.

Cost of Sales

Our cost of sales increased by approximately RMB78.6 million or 4.4% from RMB1,804.5 million for 9M2024 to RMB1,883.1 million for 9M2025, which was generally in line with the growth trend in our sales volume and revenue over the financial periods.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately RMB19.2 million or 3.1% from RMB615.1 million for 9M2024 to RMB634.3 million for 9M2025. Given that the increase in gross profit approximated to the increase in revenue in percentage terms, our gross profit margin remained at the comparable levels of approximately 25.4% for 9M2024 and 25.2% for 9M2025.

Other Income and Gains

Our other income and gains decreased by approximately RMB56.3 million or 41.4% from RMB136.0 million for 9M2024 to RMB79.7 million for 9M2025. Such a decrease was primarily attributable to the one-off bargain purchase gain arising from investment in an associate of RMB94.6 million recorded during 9M2024 as we acquired additional shares in Prinx Chengshan and obtained the right to appoint a non-executive director to its board of directors, as a result of which it became classified as an associate of us and our investments in its listed shares were re-classified from the current portion of financial assets at fair value through profit or loss to investments in associates. The difference by which the fair value of the net assets acquired exceeded the consideration was recognised as a bargain purchase gain. The bargain purchase gain was partially offset by (i) the increase in government grants of RMB16.3 million from RMB9.9 million for 9M2024 to RMB26.3 million for 9M2025 due to, among other things, the amortisation recognised according to project progress during 9M2025; (ii) the increase in bank interest income of RMB9.7 million from RMB18.1 million for 9M2024 to RMB27.8 million for 9M2025, which was generally in line with the increase in the average balance of our bank deposits over the financial periods; and (iii) the one-off gains on disposal of investments in an associate of RMB14.4 million recorded during 9M2025.

Selling and marketing expenses

Our selling and marketing expenses increased by approximately RMB3.7 million or 4.6% from RMB81.1 million for 9M2024 to RMB84.8 million for 9M2025, which was primarily attributable to the increase in relevant salary expense of RMB2.5 million from RMB43.8 million for 9M2024 to RMB46.3 million for 9M2025 mainly due to the increase in our number of sales staff members as a result of expansion of our business scope.

Administrative expenses

Our administrative expenses remained relatively stable at approximately RMB142.9 million for 9M2024 and RMB149.4 million for 9M2025.

Research and development expenses

Our research and development expenses increased by approximately RMB29.5 million or 19.9% from RMB147.9 million for 9M2024 to RMB177.4 million for 9M2025, which was primarily attributable to the increase in the costs of materials used for research and development of RMB21.6 million from RMB38.4 million for 9M2024 to RMB59.9 million for 9M2025 as we scaled up our research and development investments and consumed an increased amount of materials for our research and development work during 9M2025, which had been utilised in connection with projects mainly focusing on several types of electronic materials.

Fair Value Losses on Financial Assets at Fair Value through Profit or Loss

We recorded fair value losses on financial assets at fair value through profit or loss of approximately RMB5.9 million during 9M2024, which was primarily attributable to the fair value losses on the non-current portion of financial assets at fair value through profit or loss of RMB18.6 million recorded mainly because the results of operations of an invested entity fell below our expectations during 9M2024. The effect of the above increase was partially offset by the fair value gains on the current portion of financial assets at fair value through profit or loss of RMB12.7 million due to the appreciation in the value of the listed shares we held in Prinx Chengshan as a result of the rise in its share price prior to re-classification of such investments from the current portion of financial assets at fair value through profit or loss to investments in associates during 9M2024. No fair value gain or loss on financial assets at fair value through profit or loss was recorded during 9M2025.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to approximately RMB1.0 million for 9M2024, while we recorded a reversal of net impairment losses on financial assets of approximately RMB0.4 million during 9M2025. Such a change was primarily attributable to the reversal of net impairment losses on trade receivables recorded during 9M2025 of approximately RMB0.4 million, as compared with the net impairment losses on trade receivables of RMB1.0 million for 9M2024, due to improved recovery of trade receivables.

Other Expenses

Our other expenses decreased by approximately RMB94.5 million or 86.3% from RMB109.6 million for 9M2024 to RMB15.0 million for 9M2025. Such a decrease was primarily attributable to the impairment losses on property, plant and equipment of approximately RMB94.8 million recorded during 9M2024, which was recognised as we performed an impairment test on a cash-generating unit engaging in production of fully biodegradable materials in 9M2024 in view of the fact that the capacity utilisation rate of the fully biodegradable materials production line had not reached the normal level amid sluggish market conditions. Based on the impairment test results, the carrying amounts of buildings, machinery and office equipment and other equipment belonging to our fully biodegradable materials segment were written down by RMB94.8 million during 9M2024. During 9M2025, as we did not identify any further impairment indicators, no further impairment losses had been recognised in respect of such assets.

Finance Costs

Our finance costs increased by approximately RMB12.1 million or 17.7% from RMB68.1 million for 9M2024 to RMB80.2 million for 9M2025. Such an increase was primarily attributable to the increase in interest on interest-bearing bank and other borrowings of approximately RMB7.9 million from RMB73.7 million for 9M2024 to RMB81.6 million for 9M2025, which was generally in line with the increase in our interest-bearing bank and other borrowings over the financial periods as we obtained additional bank borrowings in support of the establishment of new production facilities.

Share of Profits of Associates

Our share of profits of associates increased by approximately RMB42.8 million or 14.9% from RMB286.8 million for 9M2024 to RMB329.6 million for 9M2025, which was primarily attributable to the increase in our share of profits of Zhongce Rubber, one of our

major invested associates, of RMB43.7 million from RMB244.9 million for 9M2024 to RMB288.6 million for 9M2025 due to the improvement in its results of operations over the financial periods.

Income Tax

Our income tax expense increased by approximately RMB1.7 million or 11.8% from RMB14.0 million for 9M2024 to RMB15.7 million for 9M2025, where our current income tax expense decreased by RMB6.8 million or 22.4% from RMB30.2 million for 9M2024 to RMB23.4 million for 9M2025. Our current income tax expense decreased notwithstanding the increase in our profit before tax over the financial periods primarily because our share of profits of associates was not taxable, negating the impact of the increase in this component of profit before tax recorded in 9M2025.

Profit for the Period

Our profit increased by approximately RMB54.3 million or 11.6% from RMB467.3 million for 9M2024 to RMB521.6 million for 9M2025, which was the result of all of the factors discussed above combined.

Comparison of Results of Operations for FY2024 and FY2023

Revenue

Our revenue increased by approximately RMB326.0 million or 11.1% from RMB2,937.3 million for FY2023 to RMB3,263.4 million for FY2024. Specifically,

(i) revenue from sales of electronic materials increased by approximately RMB183.4 million or 32.7% from RMB561.5 million for FY2023 to RMB744.9 million for FY2024, which was primarily attributable to (a) the growth in sales of semiconductor photoresists leveraging the rapid development of the semiconductor memory industry; (b) the growth in demand for our display photoresists caused by, among other things, our market development effort, expansion of the electric vehicle industry and national subsidy policies in respect of the downstream mobile phone and household appliance industries, where we were able to reap benefits given the brand awareness and market recognition we enjoy as a leading local supplier of positive photoresists for LCDs in the PRC and the first PRC manufacturer to achieve commercialisation of locally made positive photoresists for array applications; and (c) the expansion in actual production volume of our photoresist products;

(ii) revenue from sales of rubber additives for tyres and other chemical products increased by approximately RMB162.2 million or 7.1% from RMB2,275.5 million for FY2023 to RMB2,437.7 million for FY2024, which was primarily attributable to steady growth in the global tyre market in FY2024 driven mainly by the recovery of the global automobile industry chain and the demand for replacement tyres given the enormous number of vehicles owned; and

(iii) the increases in revenue generated by the above business segments were partially offset by the decrease in sales of fully biodegradable materials of RMB19.6 million or 19.5% from RMB100.3 million for FY2023 to RMB80.8 million for FY2024, which was primarily attributable to low demand in the PBAT market.

Cost of Sales

Our cost of sales increased by approximately RMB215.2 million or 9.6% from RMB2,252.3 million for FY2023 to RMB2,467.5 million for FY2024, among which

(i) cost of sales of electronic materials increased by approximately RMB104.2 million or 25.4% from RMB411.0 million for FY2023 to RMB515.2 million for FY2024, which fell below the rate of increase in sales of such products;

(ii) cost of sales of rubber additives for tyres and other chemical products increased by approximately RMB107.1 million or 6.3% from RMB1,708.1 million for FY2023 to RMB1,815.1 million for FY2024, which was comparable to the rate of increase in sales of such products; and

(iii) cost of sales of fully biodegradable materials increased slightly by approximately RMB3.9 million or 3.0% from RMB133.2 million for FY2023 to RMB137.2 million for FY2024 despite the decrease in sales of such products, primarily because (a) we incurred manufacturing overheads and recorded depreciation and amortisation in respect of our PBAT production line notwithstanding that its operation had been suspended for an extended period of time due to low demand in the PBAT market during FY2024; and (b) depreciation expenses had increased as they were recorded on a full-year basis for FY2024, following re-classification of certain items of non-current assets under this segment to fixed assets during FY2023.

Gross Profit and Gross Profit Margin

Our gross profit increased by approximately RMB110.8 million or 16.2% from RMB685.1 million for FY2023 to RMB795.9 million for FY2024, where our gross profit margin increased from 23.3% for FY2023 to 24.4% for FY2024. Specifically,

(i) the gross profit of our electronic materials segment increased by approximately RMB79.1 million or 52.6% from RMB150.5 million for FY2023 to RMB229.6 million for FY2024, where the gross profit margin increased from 26.8% for FY2023 to 30.8% for FY2024. The increase in gross profit was attributable to (a) the increase in sales volume; and (b) the improvement in gross profit margin, which we were able to achieve through (1) optimising our product mix, with increased revenue contribution from certain photoresist products that typically carry higher profit margins; (2) curbing our manufacturing overheads per unit taking advantage of economies of scale; and (3) adjusting the unit selling price as appropriate with the bargaining power we possess as a leading supplier in the industry;

(ii) the gross profit of our rubber additives for tyres and other chemical products segment increased by approximately RMB55.2 million or 9.7% from RMB567.5 million for FY2023 to RMB622.6 million for FY2024, where the gross profit margin remained at the comparable levels of 24.9% for FY2023 and 25.5% for FY2023. The increase in gross profit was primarily driven by the increase in sales volume, given that the gross profit margin had stayed flat largely because we had adjusted the unit selling price downwards in a way that corresponded to the decrease in unit purchase price of phenol, being one of the major raw materials, amid the falling oil price at the international level; and

(iii) the gross loss of our fully biodegradable materials segment increased by approximately RMB23.5 million or 71.4% from RMB32.9 million for FY2023 to RMB56.4 million for FY2024, which was attributable to the decrease in sales and the contemporaneous increase in cost of sales due to the reasons explained in the paragraphs headed "Revenue" and "Cost of Sales" above.

Other Income and Gains

Our other income and gains increased by approximately RMB105.5 million or 168.9% from RMB62.5 million for FY2023 to RMB168.1 million for FY2024. Such an increase was primarily attributable to (i) the additional deduction for value-added tax in the amount of approximately RMB12.8 million for FY2024, as compared with nil for FY2023, that became available as our subsidiaries RA Chemical, Sino Legend and BAE (Hubei) became accredited as advanced manufacturing entities (先進制造業資格) and entitled to additional deductions at 10% of the input value-added tax; and (ii) the one-off bargain purchase gain arising from investment in an associate of RMB96.8 million recorded during FY2024.

Selling and marketing expenses

Our selling and marketing expenses increased by approximately RMB19.6 million or 21.2% from RMB92.4 million for FY2023 to RMB112.0 million for FY2024, which was primarily attributable to the increase in relevant salary expense of RMB13.9 million from RMB48.2 million for FY2023 to RMB62.1 million for FY2024 due to, among other things, the hirings of additional sales staff in FY2024 in furtherance of the development of our electronic materials segment, the reversal of relevant share-based payment expenses in FY2023 as a result of forfeiture of part of the award of restricted A Shares granted under the 2021 RSA Scheme and the increase in bonus payments in FY2024 as our business performance improved as a whole.

Administrative expenses

Our administrative expenses increased by approximately RMB10.9 million or 5.9% from RMB183.7 million for FY2023 to RMB194.6 million for FY2024, which was primarily attributable to the increase in relevant salary expense of RMB20.4 million from RMB80.9 million for FY2023 to RMB101.3 million for FY2024 due to, among other things, the reversal of relevant share-based payment expenses in FY2023 as a result of forfeiture of part of the award of restricted A Shares granted under the 2021 RSA Scheme and the increase in bonus payments in FY2024 as our business performance improved as a whole.

Research and development expenses

Our research and development expenses increased by approximately RMB36.8 million or 20.5% from RMB179.8 million for FY2023 to RMB216.6 million for FY2024, which was primarily attributable to (i) the increase in relevant salary expense of RMB17.6 million from RMB65.8 million for FY2023 to RMB83.4 million for FY2024 due to, among other things, the reversal of relevant share-based payment expenses in FY2023 as a result of forfeiture of part of the award of restricted A Shares granted under the 2021 RSA Scheme and the hirings of additional research and development staff in FY2024 as we initiated various research and development projects on electronic materials; and (ii) the increase in costs of materials used for research and development of RMB16.6 million from RMB53.1 million for FY2023 to RMB69.7 million for FY2024 as we initiated various research and development projects on electronic materials in FY2024.

Fair Value Gains on Financial Assets at Fair Value through Profit or Loss

Our fair value gains on financial assets at fair value through profit or loss decreased by approximately RMB10.2 million or 84.8% from RMB12.1 million for FY2023 to RMB1.8 million for FY2024, which was primarily attributable to the fair value losses on the non-current portion of financial assets at fair value through profit or loss recorded for FY2024 of RMB10.9 million (as compared with fair value gains on such assets recorded for FY2023 of RMB4.6 million) mainly because the results of operations of an invested entity fell below our expectations during FY2024. The effect of the above decrease was partially offset by the increase in fair value gains on the current portion of financial assets at fair value through profit or loss of RMB5.3 million from RMB7.5 million for FY2023 to RMB12.8 million for FY2024, due to appreciation in the value of the listed shares we held in Prinx Chengshan as a result of the rise in its share price prior to re-classification of such investments from the current portion of financial assets at fair value through profit or loss to investments in associates during FY2024.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by approximately RMB3.5 million or 81.2% from RMB4.3 million for FY2023 to RMB0.8 million for FY2024, which was primarily attributable to the decrease in net impairment losses on other receivables of RMB3.1 million from RMB3.4 million for FY2023 to RMB0.4 million for FY2024 mainly due to the one-off impairment of specific other receivables made during FY2023.

Other Expenses

Our other expenses increased by approximately RMB93.7 million or 625.4% from RMB15.0 million for FY2023 to RMB108.7 million for FY2024. Such an increase was primarily attributable to the impairment losses on property, plant and equipment of approximately RMB94.8 million recorded during FY2024.

Finance Costs

Our finance costs increased by approximately RMB13.2 million or 15.7% from RMB84.1 million for FY2023 to RMB97.3 million for FY2024. Such an increase was primarily attributable to (i) the increase in interest on interest-bearing bank and other borrowings by approximately RMB5.9 million from RMB99.0 million for FY2023 to RMB104.9 million for FY2024, which was in line with the increase in such borrowings; and (ii) the decrease in our interest capitalised of RMB5.8 million from RMB15.9 million for FY2023 to RMB10.1 million for FY2024.

Share of Profits of Associates

Our share of profits of associates increased by approximately RMB87.8 million or 38.8% from RMB226.6 million for FY2023 to RMB314.4 million for FY2024. Such an increase was primarily attributable to (i) our acquisition of additional shares in Prinx Chengshan and the right to appoint a non-executive director to its board of directors in 2024, as a result of which it became classified as an associate of us and the proportion of its profit attributable to the equity interest held by us has been accounted for as share of profits of associates from completion of the acquisition in FY2024 onwards, where our share of profits of Prinx Chengshan amounted to approximately RMB47.2 million for FY2024; and (ii) the increase in our share of profits of Zhongce Rubber of RMB39.8 million from RMB228.8 million for FY2023 to RMB268.6 million for FY2024 due to the growth in its revenue and the improvement in its results of operations over the financial years.

Income Tax

Our income tax expense decreased by approximately RMB6.9 million or 30.1% from RMB22.9 million for FY2023 to RMB16.0 million for FY2024, where our current income tax expense increased by RMB4.6 million or 14.5% from RMB31.5 million for FY2023 to RMB36.0 million for FY2024. The increase in our current income tax expense was primarily attributable to the increase in our profit before tax of approximately RMB123.2 million from RMB427.0 million for FY2023 to RMB550.2 million for FY2024.

Profit for the Year

Our profit increased by approximately RMB130.1 million or 32.2% from RMB404.1 million for FY2023 to RMB534.2 million for FY2024, which was the result of all of the factors discussed above combined.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Current Liabilities

Set forth below is a breakdown of our current assets and current liabilities as at the end of each financial year/period during the Track Record Period and 31 January 2026, being the most recent practicable date for the purpose of our liquidity disclosure:

	As at 31 December		As at 30 September	As at 31 January
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current assets				
Inventories	430,729	486,214	511,269	573,442
Trade and bills receivables	1,008,741	1,064,924	1,133,800	1,123,107
Due from related companies	100,145	145,136	130,603	124,281
Prepayments, other receivables and other assets	88,094	82,786	149,271	162,323
Financial assets at fair value through profit or loss	143,736	—	—	—
Tax recoverable	28,944	888	5,930	13,114
Time deposits	43,629	634,591	558,041	676,093
Pledged deposits	38,922	36,004	25,100	20,449
Cash and cash equivalents	661,436	503,209	806,207	659,968
Total	2,544,376	2,953,752	3,320,221	3,352,777

	As at 31 December		As at 30 September	As at 31 January
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current liabilities				
Trade and bills payables	652,452	528,632	546,994	643,004
Contract liabilities	3,405	3,368	3,100	4,943
Other payables and accruals	284,295	349,051	369,027	316,507
Interest-bearing bank and other borrowings	847,966	1,876,719	1,576,033	2,312,660
Lease liabilities	8,244	9,616	9,721	10,300
Tax payable	11,885	17,150	16,427	9,461
Total	1,808,247	2,784,536	2,521,302	3,296,875
Net current assets	**736,129**	**169,216**	**798,919**	**55,902**

We maintained a net current assets position throughout the Track Record Period.

Our net current assets decreased by approximately RMB743.0 million from RMB798.9 million as at 30 September 2025 to RMB55.9 million as at 31 January 2026. Such a decrease was primarily attributable to the increase in interest-bearing bank and other borrowings of approximately RMB736.6 million from RMB1,576.0 million as at 30 September 2025 to RMB2,312.7 million as at 31 January 2026.

Our net current assets increased by approximately RMB629.7 million from RMB169.2 million as at 31 December 2024 to RMB798.9 million as at 30 September 2025. Such an increase was primarily attributable to (i) the increase in cash and cash equivalents of approximately RMB303.0 million from RMB503.2 million as at 31 December 2024 to RMB806.2 million as at 30 September 2025; and (ii) the decrease in interest-bearing bank and other borrowings of RMB300.7 million from RMB1,876.7 million as at 31 December 2024 to RMB1,576.0 million as at 30 September 2025.

Our net current assets decreased by approximately RMB566.9 million from RMB736.1 million as at 31 December 2023 to RMB169.2 million as at 31 December 2024. Such a decrease was primarily attributable to (i) the decrease in the current portion of financial assets at fair value through profit or loss of approximately RMB143.7 million from RMB143.7 million as at 31 December 2023 to nil as at 31 December 2024; (ii) the decrease in tax recoverable of RMB28.1 million from RMB28.9 million as at 31 December 2023 to RMB0.9 million as at 31 December 2024; (iii) the decrease in cash and cash equivalents of RMB158.2 million from RMB661.4 million as at 31 December 2023 to RMB503.2 million as at 31 December 2024; (iv) the increase in other payables and accruals of RMB64.8 million from RMB284.3 million as at 31 December 2023 to RMB349.1 million as at 31 December 2024; and (v) the increase in interest-bearing bank and other borrowings of RMB1,028.8 million from RMB848.0 million as at 31 December 2023 to RMB1,876.7 million as at 31 December 2024, as partially offset by (i) the increase in time deposits of RMB591.0 million from RMB43.6 million as at 31 December 2023 to RMB634.6 million as at 31 December 2024; and (ii) the decrease in trade and bills payables of RMB123.8 million from RMB652.5 million as at 31 December 2023 to RMB528.6 million as at 31 December 2024.

Non-Current Assets and Non-Current Liabilities

Set forth below is a breakdown of our non-current assets and non-current liabilities as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current assets			
Property, plant and equipment	2,086,039	2,105,204	2,158,483
Investment properties	5,049	4,101	3,390
Right-of-use assets	285,750	276,718	264,512
Goodwill	437,441	437,441	437,441
Intangible assets	132,066	204,940	185,156
Investments in associates	1,580,241	2,131,238	2,487,833
Equity investments designated at fair value through other comprehensive income	75,456	45,412	31,697
Financial assets at fair value through profit or loss	109,572	128,634	128,634
Prepayments, other receivables and other assets	25,255	52,218	103,559
Deferred tax assets	52,660	69,469	75,455
Total	**4,789,529**	**5,455,375**	**5,876,160**
Non-current liabilities			
Interest-bearing bank and other borrowings	1,806,800	1,955,810	2,699,528
Lease liabilities	50,140	45,481	39,108
Deferred income	110,361	112,778	118,092
Deferred taxes liabilities	53,461	51,192	49,433
Total	**2,020,762**	**2,165,261**	**2,906,161**

Inventories

Set forth below are the details of our inventories as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Finished goods	231,122	263,059	256,804
Raw materials	192,414	214,847	228,198
Work in progress	7,370	11,930	19,359
Materials consigned for processing	11,141	8,317	10,741
	442,047	498,153	515,102
Less: Provision for inventories	(11,318)	(11,939)	(3,833)
Total	**430,729**	**486,214**	**511,269**

Our inventories increased by approximately RMB55.5 million from RMB430.7 million as at 31 December 2023 to RMB486.2 million as at 31 December 2024 and further by RMB25.1 million to RMB511.3 million as at 30 September 2025, which was basically commensurate with the expansion of our operating scale as reflected by the growth in our revenue.

As at 31 December 2023, 31 December 2024 and 30 September 2025, provision for inventories amounted to approximately RMB11.3 million, RMB11.9 million and RMB3.8 million respectively. As at the date of each statement of financial position, our inventory is measured at the lower of cost and net realizable value. When the net realisable value of the inventory is lower than the cost, a provision for inventory depreciation loss is made. The net realisable value is determined based on the estimated selling price of the inventories minus the estimated costs to be incurred upon completion of the production process, estimated selling expenses and related taxes in the ordinary and usual course of business. Provision for inventories is made on an individual basis in respect of each inventory category.

Turnover Days

The following table sets forth our inventory turnover days for each financial year/period during the Track Record Period:

	FY2023	**FY2024**	**9M2025** (unaudited)
Inventory turnover days *(Note)*	68	70	73

Note: Inventory turnover days for a financial year/period equal the average of the beginning and ending balances of our inventories (before provision) for that financial year/period divided by our cost of sales for that financial year/period and multiplied by 365 days, 366 days and 273 days for FY2023, FY2024 and 9M2025 respectively.

Our inventory turnover days remained relatively stable at approximately 68 days for FY2023, 70 days for FY2024 and 73 days for 9M2025.

Subsequent Utilisation

As at 31 January 2026, approximately 95.9% of our inventories (before provision) as at 30 September 2025, amounting to RMB494.0 million, had been used or sold.

Trade and Bills Receivables

Our trade and bills receivables represent the outstanding amounts due from our customers for products sold to them in our ordinary and usual course of business.

Under our trading terms, our customers are generally allowed to purchase our products on credit, with credit periods typically ranging from 30 days to 180 days.

We also accept settlement of trade receivables by our customers with bills. Bills received by our Group mainly included banker's acceptances (銀行承兑匯票) issued by reputable banks which mature within a short term up to six months.

Set forth below are the details of our trade and bills receivables as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade receivables	614,087	649,274	730,009
Less: Impairment losses	(12,176)	(11,986)	(12,074)
Net carrying amount	601,911	637,288	717,935
Bills receivables			
Bills receivables at amortised cost	76,938	108,912	93,275
Bills receivables at fair value through other comprehensive income	329,892	318,724	322,590
Net carrying amount	406,830	427,636	415,865
Total	**1,008,741**	**1,064,924**	**1,133,800**

Our trade and bills receivables increased by approximately RMB68.9 million from RMB1,064.9 million as at 31 December 2024 to RMB1,133.8 million as at 30 September 2025, which was primarily attributable to (i) the increase in revenue on an annualised basis mainly due to the sales growth of our electronic materials segment, as driven by our research and development achievements in respect of semiconductor photoresists and the growth in demand for display photoresists; and (ii) our customers' settlement practice where they would typically time their payments to effect settlement of the amounts due by the end of each financial year where permissible under the credit period, as a result of which payments generally concentrate in the final quarter of the financial year. Our trade and bills receivables increased by approximately RMB56.2 million from RMB1,008.7 million as at 31 December 2023 to RMB1,064.9 million as at 31 December 2024 primarily because of the revenue growth contributed by both the electronic materials segment and the rubber additives for tyres and other chemical products segment, on account of the accelerating demand from, among other things, the semiconductor memory industry and the electric vehicle industry and from the tyre industry respectively.

As at 31 December 2023, 31 December 2024 and 30 September 2025, our impairment losses on trade receivables amounted to approximately RMB12.2 million, RMB12.0 million and RMB12.1 million respectively. We performed an impairment analysis at the end of each financial year/period during the Track Record Period using a provision matrix to measure expected credit losses. Generally, trade receivables are written off if past due for more than five years and are not subject to enforcement activity. In respect of bills receivables, the identified impairment loss was immaterial as at the end of each financial year/period during the Track Record Period as the bills were mostly issued by reputable banks and had short maturities.

Ageing Analysis

The following is an ageing analysis of our trade and bills receivables at amortised cost, based on the time of revenue recognition and net of loss allowance as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within six months	672,271	722,918	793,739
Seven months to one year	2,515	14,713	7,757
Over one year and within two years	2,843	7,732	7,995
Over two years and within three years	1,102	837	1,719
Over three years	118	—	—
Total	**678,849**	**746,200**	**811,210**

During the Track Record Period, a large majority of our trade and bills receivables were outstanding for not more than six months, which was in line with the credit periods we granted to our customers that typically ranged from 30 days to 180 days.

Turnover Days

The following table sets forth our trade receivables turnover days for each financial year/period during the Track Record Period:

	FY2023	FY2024	9M2025 (unaudited)
Trade receivables turnover days *(Note)*	73	71	75

Note: Trade receivables turnover days for a financial year/period equal the average of the beginning and ending balances of our trade receivables (before impairment losses) for that financial year/period divided by our revenue for that financial year/period and multiplied by 365 days, 366 days and 273 days for FY2023, FY2024 and 9M2025 respectively.

Our trade receivables turnover days increased from approximately 71 days for FY2024 to 75 days for 9M2025 primarily because of the concentration of payments from our customers in the final quarter of each financial year. Our trade receivables turnover days decreased from approximately 73 days for FY2023 to 71 days for FY2024 primarily because of accelerated collection of trade receivables.

Our trade receivables turnover days as at the end of each financial year/period during the Track Record Period were in line with the credit periods we granted to our customers that typically ranged from 30 days to 180 days.

Subsequent Settlement

As at 31 January 2026, approximately 99.0% of our trade and bills receivables (before impairment loss) as at 30 September 2025, amounting to RMB1,134.5 million, had been settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets were comprised of various balances that were interest-free, unsecured and repayable on demand. Set forth below are the details of our prepayments, other receivables and other assets as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	31 December 2024	30 September 2025 (unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments to suppliers	31,672	35,120	97,448
Value added tax recoverable	17,355	26,895	29,690
Deposits	7,031	4,791	4,758
Deferred expenses	3,502	3,909	2,110

	As at		
	31 December 2023	31 December 2024	30 September 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Prepayment for acquisition of equity investment	13,500	—	—
Other receivables	26,163	23,477	26,672
	99,223	94,192	160,678
Less: Impairment losses	(11,129)	(11,406)	(11,407)
	88,094	82,786	149,271
Non-current portion			
Prepayments for acquisitions of property, plant and equipment	24,241	43,271	87,908
Deferred expenses	1,014	5,186	6,705
Value added tax recoverable	—	3,761	8,946
	25,255	52,218	103,559
Total	**113,349**	**135,004**	**252,830**

Our prepayments, other receivables and other assets increased by approximately RMB117.8 million from RMB135.0 million as at 31 December 2024 to RMB252.8 million as at 30 September 2025. Such an increase was primarily attributable to (i) the increase in prepayments to suppliers of approximately RMB62.3 million from RMB35.1 million as at 31 December 2024 to RMB97.4 million as at 30 September 2025, as we stepped up prepayments for purchases of raw materials to ensure stability in supply in view of the sales growth in FY2024; and (ii) the increase in prepayments for acquisitions of property, plant and equipment of RMB44.6 million from RMB43.3 million as at 31 December 2024 to RMB87.9 million as at 30 September 2025, mainly due to our continued investments made during 9M2025 in construction projects on production facilities for base resin for photoresists, semiconductor photoresists and high-purity solvents and cresol-formaldehyde resin which had yet to qualify for recognition as non-current assets as at 30 September 2025.

Our prepayments, other receivables and other assets increased by approximately RMB21.7 million from RMB113.3 million as at 31 December 2023 to RMB135.0 million as at 31 December 2024. The current portion had remained at the comparable levels of approximately RMB88.1 million as at 31 December 2023 and RMB82.8 million as at 31 December 2024. On the other hand, the non-current portion had increased by RMB27.0 million from RMB25.3 million as at 31 December 2023 to RMB52.2 million as at 31 December 2024, which was primarily attributable to the increase in prepayments for acquisitions of property, plant and equipment of RMB19.0 million from RMB24.2 million as at 31 December 2023 to RMB43.3 million as at 31 December 2024, mainly due to our investments made during FY2023 in new construction projects on production facilities for cresol-formaldehyde resin and advanced CMP polishing pads which had yet to qualify for recognition as non-current asset as at 31 December 2024.

Equity Investments Designated at Fair Value through Other Comprehensive Income

Our equity investments designated at fair value through other comprehensive income comprised unlisted equity investments that our Group considered to be non-traded and strategic in nature. Set forth below are the details of our equity investments designated at fair value through other comprehensive income as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Jiangsu Hengnuo New Materials Technology Co., Ltd. (江蘇恒諾新材料科技有限公司)	15,025	14,925	14,925
Shenzhen Henghe Investment Management (Shenzhen) Co., Ltd.* (深恒和投資管理(深圳)有限公司)	13,399	14,630	14,630
Yige Workwear (Beijing) Technology Co., Ltd.* (藝格工裝(北京)科技有限公司)	999	1,222	1,222
Shanghai BMC Investment Management Co., Ltd. (上海美麗境界股權投資管理有限公司)	920	920	920
Jiangsu Xingda Steel Tyre Cord Co., Ltd. (江蘇興達鋼簾線股份有限公司) ("**Jiangsu Xingda**")	32,000	—	—
Shenzhen Xiaopang Technology Co., Ltd.* (深圳小胖科技有限公司) ("**Shenzhen Xiaopang**")	13,113	13,715	—
Total	**75,456**	**45,412**	**31,697**

Our equity investments designated at fair value through other comprehensive income decreased by approximately RMB13.7 million from RMB45.4 million as at 31 December 2024 to RMB31.7 million as at 30 September 2025, because we disposed of the equity interest we held in Shenzhen Xiaopang in April 2025, which had a carrying amount of RMB13.7 million as at 31 December 2024, as we considered that such an investment no longer aligned with our investment strategy.

Our equity investments designated at fair value through other comprehensive income decreased by approximately RMB30.0 million from RMB75.5 million as at 31 December 2023 to RMB45.4 million as at 31 December 2024, primarily because we disposed of the equity interest we held in Xingda Steel Tyre in 2024, which had a carrying amount of RMB32.0 million as at 31 December 2023, as we considered that such an investment no longer aligned with our investment strategy.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss include listed equity investments, which are classified as a current asset, and unlisted funds and unlisted equity investments, which are classified as a non-current asset. Set forth below are the details of our financial assets at fair value through profit or loss as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	31 December 2024	30 September 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current portion			
Listed equity investments	143,736	—	—
Non-current portion			
Unlisted equity investments and investment funds, at fair value	109,572	128,634	128,634
Total	**253,308**	**128,634**	**128,634**

Our financial assets at fair value through profit or loss remained the same at approximately RMB128.6 million as at 31 December 2024 and 30 September 2025. Our financial assets at fair value through profit or loss decreased by approximately RMB124.7 million from RMB253.3 million as at 31 December 2023 to RMB128.6 million as at 31 December 2024. Such a decrease was primarily attributable the decrease in the current portion of approximately RMB143.7 million from RMB143.7 million as at 31 December 2023 to nil as at 31 December 2024, due to re-classification of our investments in the listed shares of Prinx Chengshan from the current portion of financial assets at fair value through profit or loss to investments in associates. Prinx Chengshan became classified as an associate of us as a result of our acquisition of additional shares in Prinx Chengshan and the right to appoint a non-executive director to its board of directors in FY2024. On the other hand, the non-current portion increased by approximately RMB19.1 million from RMB109.6 million as at 31 December 2023 to RMB128.6 million as at 31 December 2024, which was primarily attributable to the investments we made in FY2024 in a limited partnership, which had in turn invested in a globally leading chip design company

specialising in the communication semiconductor industry, as partially offset by the decrease in the fair value of our unlisted equity investments in an entity principally engaged in production of functional film new materials mainly due to the drop in its results of operations during FY2024.

Property, Plant and Equipment

Set forth below are the details of our property, plant and equipment as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Buildings	515,724	540,930	542,180
Electronic devices	9,094	7,589	8,867
Machinery	953,482	974,551	1,252,441
Vehicles	3,830	7,712	7,762
Office equipment and other equipment	5,924	5,697	3,453
Construction in progress	580,208	546,966	321,588
Others	17,777	21,759	22,192
Total	**2,086,039**	**2,105,204**	**2,158,483**

Our property, plant and equipment increased by approximately RMB53.3 million from RMB2,105.2 million as at 31 December 2024 to RMB2,158.5 million as at 30 September 2025. Such an increase was primarily attributable to the increase in our machinery of approximately RMB277.9 million from RMB974.6 million as at 31 December 2024 to RMB1,252.4 million as at 30 September 2025, mainly because the EBR production line to be built under our construction project on production facilities for semiconductor photoresists was completed and ready for use and the associated costs were re-classified from construction in progress to machinery during 9M2025. The effect of the above increase was partially offset by the decrease in our construction in progress of RMB225.4 million from RMB547.0 million as at 31 December 2024 to RMB321.6 million as at 30 September 2025, mainly due to the progress we made with our construction projects on production facilities for semiconductor photoresists and high-purity solvents, high-performance testing equipment such as photolithography equipment and accessories, testing devices for photoresist resin products and optimisation of existing production lines, with the costs of the completed parts that are ready for use re-classified from construction in progress to the appropriate category of property, plant and equipment. Our property, plant and equipment remained relatively stable at approximately RMB2,086.0 million as at 31 December 2023 and RMB2,105.2 million as at 31 December 2024.

Investment Properties

Our investment properties consist of one commercial property located in Shanghai and one residential property located in Shandong Province, which had been leased to third parties under operating leases and determined by our Directors to be commercial based on their nature, characteristics and risks. Our investment properties decreased from

approximately RMB5.0 million as at 31 December 2023 to RMB4.1 million as at 31 December 2024 and further to RMB3.4 million as at 30 September 2025 as a result of the depreciation provided during FY2024 and 9M2025 respectively.

Right-of-use Assets

Set forth below are the details of our right-of-use assets as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Leasehold land	231,316	225,223	220,654
Buildings	54,434	50,222	42,819
Machine and equipment	—	1,273	1,039
Total	**285,750**	**276,718**	**264,512**

Our right-of-use assets decreased by approximately RMB12.2 million from RMB276.7 million as at 31 December 2024 to RMB264.5 million as at 30 September 2025 as a result of the depreciation provided during 9M2025 of RMB12.2 million. Our right-of-use assets decreased by approximately RMB9.0 million from RMB285.8 million as at 31 December 2023 to RMB276.7 million as at 31 December 2024. Such a decrease was primarily attributable to the depreciation provided during FY2024 of RMB16.0 million, as partially offset by the additions to buildings and machine and equipment during the financial year of RMB6.9 million.

Goodwill

Our goodwill consists of goodwill acquired through business combinations allocated to our cash-generating units ("**CGUs**") of semiconductor photoresist CGU and display panel photoresist CGU. Set forth below are the details of our goodwill as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Semiconductor Photoresist CGU	200,186	200,186	200,186
Display Panel Photoresist CGU	237,255	237,255	237,255
Total	**437,441**	**437,441**	**437,441**

Our goodwill remained the same at approximately RMB437.4 million as at the end of each financial year/period during the Track Record Period in accordance with the results of our impairment testing of goodwill, as detailed in the paragraphs below.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. We perform impairment test of goodwill as at the date of each statement of financial position. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The recoverable amounts of our semiconductor photoresist CGU and display panel photoresist CGU were determined based on calculations of the value in use of such CGUs. This required our Group to make projections of cash flows from the CGUs based on financial budgets covering a five-year period approved by our senior management and the following key parameters:

(1) revenue annual growth rate, which was determined with reference to the average revenue growth rate achieved in the years before the budget year, with appropriate adjustments for our management's projected future operating plans and production data;

(2) net profit margin during the forecast period, which was determined with reference to the average net profit margin growth rate achieved in the prior year, as increased for expected efficiency improvements; and

(3) pre-tax discount rate, which reflected specific risks relating to the relevant CGU.

The following values were assigned to each key parameter, which were consistent with information from external sources:

	As at		
	31 December 2023	31 December 2024	30 September 2025
			(unaudited)
Semiconductor Photoresist CGU			
Pre-tax discount rate	11.70%	11.68%	12.18%
Revenue annual growth rate — range of the forecast period	16.58% to 37.84%	6.00% to 25.00%	6.00% to 28.73%
Net profit margin — range of the forecast period	6.05% to 18.70%	13.62% to 17.87%	17.10% to 19.66%
Revenue annual growth rate — stable period	0.00%	0.00%	0.00%
Net profit margin — stable period	18.70%	17.87%	19.66%

	As at		
	31 December 2023	31 December 2024	30 September 2025
			(unaudited)
Display Panel Photoresist CGU			
Pre-tax discount rate	11.70%	11.48%	12.23%
Revenue annual growth rate — range of the forecast period	16.13% to 30.14%	11.65% to 19.90%	10.00 to 16.85%
Net profit margin — range of the forecast period	16.70% to 18.62%	15.60% to 18.00%	17.98% to 20.86%
Revenue annual growth rate — stable period	0.00%	0.00%	0.00%
Net profit margin — stable period	17.28%	16.46%	19.07%

As at 31 December 2023, 2024 and 30 September 2025, based on the value-in-use calculations, the recoverable amount of the semiconductor photoresist CGU exceeded its carrying amount by approximately RMB34.1 million, RMB64.0 million and RMB74.0 million respectively, and the recoverable amount of the display panel photoresist CGU exceeded its carrying amount by RMB378.6 million, RMB409.7 million and RMB543.9 million respectively.

In respect of each CGU, our management had performed sensitivity tests by decreasing the revenue annual growth rate by 3 percentage points, decreasing the net profit margin by 3 percentage points or increasing the pre-tax discount rate by 3 percentage points, with all other key assumptions held constant. The amount by which the recoverable amount of each CGU would exceed its carrying amount (the "**headroom**") was as follows:

	As at		
	31 December 2023	31 December 2024	30 September 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Semiconductor Photoresist CGU			
Revenue annual growth rate decreased by 3 percentage points	6,053	36,601	38,018
Net profit margin decreased by 3 percentage points	28,053	40,730	47,956
Pre-tax discount rate increased by 3 percentage points	4,053	36,532	45,718
Display Panel Photoresist CGU			
Revenue annual growth rate decreased by 3 percentage points	314,684	344,902	481,846
Net profit margin decreased by 3 percentage points	352,684	382,955	515,640
Pre-tax discount rate increased by 3 percentage points	345,684	377,908	511,414

Based on the headroom computed as presented in the table above, our management believes that any reasonably possible change in any of the key parameters would not cause the respective carrying amount of each CGU to exceed its recoverable amount and thereby result in impairment provision of goodwill.

Considering there was still sufficient headroom, our management was of the view that there existed no impairment of goodwill as at the end of each financial year/period during the Track Record Period. Based on the results of the above assessments as conducted by our management and an independent external valuer, our Directors concluded that no impairment loss on goodwill should be recognised as at the end of each financial year/period during the Track Record Period.

Intangible Assets

Set forth below are the details of our intangible assets as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Software	16,284	14,246	13,197
Technical know-how	47,508	36,393	28,316
Patent	68,274	154,301	143,643
Total	**132,066**	**204,940**	**185,156**

Our intangible assets decreased by approximately RMB19.8 million from RMB204.9 million as at 31 December 2024 to RMB185.2 million as at 30 September 2025, which was primarily attributable to amortisation of our intangible assets during 9M2025 of RMB20.5 million. Our intangible assets increased by approximately RMB72.9 million from RMB132.1 million as at 31 December 2023 to RMB204.9 million as at 31 December 2024. Such an increase was primarily attributable to our acquisitions of patents for the consideration of approximately RMB93.0 million in FY2024 with a view to expanding our product range, as partially offset by the amortisation of our intangible assets during the financial year of RMB20.6 million.

Investments in Associates

Our investments in associates represent our share of the net assets of our invested associates. During the Track Record Period, our invested associates included

- Zhongce Rubber Group Co., Ltd. (中策橡膠集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603049) principally engaged in production and sales of tyres and rubber products, which was held as to approximately 8.9%, 8.9% and 8.0% by our Group as at 31 December 2023, 31 December 2024 and 30 September 2025 respectively;

- Prinx Chengshan Holdings Limited (浦林成山控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1809) principally engaged in production and sales of tyres and rubber products, which was held as to approximately 5.1% and 5.1% by our Group as at 31 December 2024 and 30 September 2025 respectively; and
- other associates that were not individually material.

Our investments in associates increased by approximately RMB356.6 million from RMB2,131.2 million as at 31 December 2024 to RMB2,487.8 million as at 30 September 2025, which was primarily attributable to the growth in the total amount and our corresponding share of the net assets of Zhongce Rubber, as a result of which the carrying amount of our investment in Zhongce Rubber increased by RMB351.1 million from RMB1,732.1 million as at 31 December 2024 to RMB2,083.2 million as at 30 September 2025. Our investments in associates increased by approximately RMB551.0 million from RMB1,580.2 million as at 31 December 2023 to RMB2,131.2 million as at 31 December 2024, which was primarily attributable to (i) the growth in the total amount and our corresponding share of the net assets of Zhongce Rubber, as a result of which the carrying amount of our investment in Zhongce Rubber increased by RMB214.0 million from RMB1,518.1 million as at 31 December 2023 to RMB1,732.1 million as at 31 December 2024; and (ii) our acquisition of additional shares in Prinx Chengshan and the right to appoint a non-executive director to its board of directors in FY2024, as a result of which it became classified as an associate of us and our investments in its listed shares were re-classified from the current portion of financial assets at fair value through profit or loss to investments in associates from completion of the acquisition in FY2024 onwards; we therefore saw an addition to our investments in associates during FY2024 equivalent to the proportion of Prinx Chengshan's net assets attributable to the equity interest held by us, with a carrying amount of RMB338.4 million as at 31 December 2024.

Trade and Bills Payables

Our trade and bills payables represent the outstanding amounts due to our suppliers for purchases of raw materials or construction equipment in our ordinary and usual course of business.

Set forth below are the details of our trade and bills payables as at the end of each financial year/period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables	518,019	441,604	433,063
Bills payables	134,433	87,028	113,931
Total	**652,452**	**528,632**	**546,994**

Our trade and bills payables increased by approximately RMB18.4 million from RMB528.6 million as at 31 December 2024 to RMB547.0 million as at 30 September 2025 primarily because we scaled up our purchases of raw materials correspondingly in view of the sales growth. Our trade and bills payables decreased by approximately RMB123.8

million from RMB652.5 million as at 31 December 2023 to RMB528.6 million as at 31 December 2024 primarily because (i) we were able to settle the amounts due to our suppliers within a shorter timeframe with the prompt settlement of receivables by our customers; (ii) we gradually settled the amounts due to our construction equipment suppliers as our construction projects on, among other things, production facilities for semiconductor photoresists and high-purity solvents progressed and reached a higher degree of completion; and (iii) we reduced our reliance on issue of bills to finance our construction projects and other external investments as the cash resources made available under our increased interest-bearing bank and other borrowings had enabled us to more commonly adopt cash payments.

Ageing Analysis

The following is an ageing analysis of our trade and bills payables as at the end of each financial year/period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within one year	636,777	510,302	527,781
One to two years	15,488	16,377	18,639
Over two years	187	1,953	574
Total	**652,452**	**528,632**	**546,994**

Turnover Days

The following table sets forth our trade payables turnover days for each financial year/period:

	FY2023	**FY2024**	**9M2025** (unaudited)
Trade payables turnover days *(Note)*	87	71	63

Note: Trade payables turnover days for a financial year/period equal the average of the beginning and ending balances of our trade payables for that financial year/period divided by our cost of sales for that financial year/period and multiplied by 365 days, 366 days and 273 days for FY2023, FY2024 and 9M2025 respectively.

Our trade payables turnover days decreased from approximately 71 days for FY2024 to 63 days for 9M2025 primarily because we were able to pay our suppliers more promptly given our improved cash position. Our trade payables turnover days decreased from approximately 87 days for FY2023 to 71 days for FY2024, which was primarily attributable to the decrease in our trade payables, notwithstanding the increase in our cost of sales, mainly because we were able to settle the amounts due to our suppliers within a shorter timeframe with the prompt settlement of receivables by our customers.

Subsequent Settlement

As at 31 January 2026, approximately 95.7% of our trade and bills payables as at 30 September 2025, amounting to RMB523.7 million, had been settled.

Contract Liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before our Group transfers the related goods. During the Track Record Period, our contract liabilities arising from advance payments from customers for sales of goods remained relatively stable at approximately RMB3.4 million as at 31 December 2023, RMB3.4 million as at 31 December 2024 and RMB3.1 million as at 30 September 2025.

Subsequent Recognition

As at 31 January 2026, our contract liabilities as at 30 September 2025, amounting to RMB3.1 million, had been fully recognised as revenue.

Other Payables and Accruals

Set forth below are the details of our other payables and accruals as at the end of each financial year/period during the Track Record Period:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Government grants received in advance	32,720	118,380	171,580
Accrued expenses	44,328	65,758	72,931
Payroll and welfare payables	65,927	71,249	57,292
Repurchase obligation recognised under share incentive plan	99,647	50,285	24,431
Payable for acquisition of equity investment	15,025	15,025	15,025
Other taxes payables	7,497	6,445	5,552
Others	19,151	21,909	22,216
Total	**284,295**	**349,051**	**369,027**

Our other payables and accruals increased by approximately RMB20.0 million from RMB349.1 million as at 31 December 2024 to RMB369.0 million as at 30 September 2025. Such an increase was primarily attributable to the increase in government grants received in advance of approximately RMB53.2 million from RMB118.4 million as at 31 December 2024 to RMB171.6 million as at 30 September 2025, which resulted mainly from the receipt during 9M2025 of government grants for designated project of which the completion acceptance inspection had yet to be completed as at 30 September 2025. The effect of the above increase was partially offset by (i) the decrease in payroll and welfare payables of RMB14.0 million from RMB71.2 million as at 31 December 2024 to RMB57.3 million as at 30 September 2025, main due to the fact that bonuses accrues on a monthly basis and accordingly only bonuses covering a nine-month period had been booked as at 30

September 2025; and (ii) the decrease in repurchase obligation recognised under share incentive plan of RMB25.9 million from RMB50.3 million as at 31 December 2024 to RMB24.4 million as at 30 September 2025, mainly due to the release during 9M2025 of selling restrictions on part of the restricted A Shares awarded under the 2023 RSA Scheme.

Our other payables and accruals increased by approximately RMB64.8 million from RMB284.3 million as at 31 December 2023 to RMB349.1 million as at 31 December 2024. Such an increase was primarily attributable to (i) the increase in government grants received in advance of approximately RMB85.7 million from RMB32.7 million as at 31 December 2023 to RMB118.4 million as at 31 December 2024, which resulted mainly from the receipt during FY2024 of government grants for designated project for which the completion acceptance inspection had yet to be completed as at 31 December 2024; and (ii) the increase in accrued expenses of RMB21.4 million from RMB44.3 million as at 31 December 2023 to RMB65.8 million as at 31 December 2024 mainly due to (a) the increase in unsettled shipping fees as at financial year end in connection with our purchases of raw materials and sales of products as a result of sales growth and rise in unit shipping fee; and (b) unsettled shipping fees as at 31 December 2024 in connection with import of photoresist-related equipment. The effect of the increases in the above items was partially offset by the decrease in repurchase obligation recognised under share incentive plan of RMB49.4 million from RMB99.6 million as at 31 December 2023 to RMB50.3 million as at 31 December 2024, mainly due to the forfeiture during FY2024 of part of the award of restricted A Shares granted under the 2021 RSA Scheme and the release during FY2024 of selling restrictions on part of the restricted A Shares awarded under the 2023 RSA Scheme.

Tax Payables

Our tax payables consist of payables for corporate income tax. Our tax payables increased from approximately RMB11.9 million as at 31 December 2023 to RMB17.2 million as at 31 December 2024 and subsequently decreased to RMB16.4 million, which was generally in line with the changes in our profit before tax during the Track Record Period.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for each financial year/period during the Track Record Period and should be read in conjunction with the Accountants' Report presented in Appendix I to this document.

	FY2023	FY2024	9M2025 (unaudited)
Profitability ratios			
Return on equity *(Note 1)*	12.2%	15.3%	N/A
Return on total assets *(Note 2)*	5.7%	6.8%	N/A
Gross Profit Margin *(Note 3)*	23.3%	24.4%	25.2%
Net profit margin *(Note 4)*	13.8%	16.4%	20.7%

	As at		
	31 December 2023	31 December 2024	30 September 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Liquidity ratios			
Current ratio (times) *(Note 5)*	1.4	1.1	1.3
Quick ratio (times) *(Note 6)*	1.2	0.9	1.1
Capital adequacy ratio			
Gearing ratio *(Note 7)*	60.2%	100.9%	97.3%

Notes:

(1) Return on equity is calculated by dividing our profit for a financial year/period by the average of the balances of total equity as at the beginning and the end of the relevant financial year/period.

Return on equity for 9M2025 is not presented as it is calculated based on our results of operations for an interim period only and is therefore not meaningful and could be misleading when compared with our return on equity for FY2023 and FY2024 calculated based on our results of operations for a full financial year.

(2) Return on total assets is calculated by dividing our profit for a financial year/period by the average of the balances of total assets as at the beginning and the end of the relevant financial year/period.

Return on total assets for 9M2025 is not presented as it is calculated based on our results of operations for an interim period only and is therefore not meaningful and could be misleading when compared with our return on assets for FY2023 and FY2024 calculated based on our results of operations for a full financial year.

(3) Gross profit margin is calculated by dividing our gross profit for a financial year/period by our revenue for the relevant financial year/period.

(4) Net profit margin is calculated by dividing our net profit for a financial year/period by our revenue for the relevant financial year/period.

(5) Current ratio is calculated by dividing our total current assets as at the end of a financial year/period by our total current liabilities as at the end of the relevant financial year/period.

(6) Quick ratio is calculated by dividing our total current assets (excluding inventories) as at the end of a financial year/period by our total current liabilities as at the end of the relevant financial year/period.

(7) Gearing ratio is calculated by dividing our net debt (being the total of interest-bearing bank and other borrowings and lease liabilities, net of cash and cash equivalents) as at the end of a financial year/period by equity attributable to owners of our Company as at the end of the relevant financial year/period.

Return on Equity

Our return on equity increased from approximately 12.2% for FY2023 to 15.3% for FY2024. Such an increase was primarily attributable to the increase in profit of 32.2% from RMB404.1 million for FY2023 to RMB534.2 million for FY2024, which outweighed the increase in the average balance of total equity of 4.8% from RMB3,323.5 million for FY2023 to RMB3,482.1 million for FY2024.

Please see the paragraphs headed "Period-to-Period Comparison of Results of Operations — Comparison of Results of Operations for FY2024 and FY2023" in this section for a discussion of the factors causing the changes in our profit for the year.

Return on Total Assets

Our return on total assets increased from approximately 5.7% for FY2023 to 6.8% for FY2024, which was primarily attributable to the increase in profit of 32.2% from RMB404.1 million for FY2023 to RMB534.2 million for FY2024, further details of which are set forth in the paragraphs headed "Period-To-Period Comparison of Results of Operations — Comparison of Results of Operations for FY2024 and FY2023" in this section, which outweighed the increase in the average balance of total assets of 10.9% from RMB7,097.5 million for FY2023 to RMB7,871.5 million for FY2024, further details of which are set forth in the paragraphs headed "Discussion of Certain Key Items of Consolidated Statements of Financial Position" in this section.

Gross Profit Margin

Our gross profit margin remained relatively stable during the Track Record Period at approximately 23.3%, 24.4% and 25.2% for FY2023, FY2024 and 9M2025 respectively.

Net Profit Margin

Our net profit margin increased steadily during the Track Record Period from approximately 13.8% for FY2023 to 16.4% for FY2024 and 20.7% for 9M2025, which was attributable to, among other things, our improved control over operating costs and the growth in our share of profits of associates. Please see the paragraphs headed "Period-to-Period Comparison of Results of Operations" in this section for a discussion of the factors causing the improvement in our profitability during the Track Record Period.

Current Ratio

Our current ratio remained relatively stable during the Track Record Period at approximately 1.4, 1.1 and 1.3 as at 31 December 2023, 31 December 2024 and 30 September 2025 respectively.

Quick Ratio

Our quick ratio remained relatively stable during the Track Record Period at approximately 1.2, 0.9 and 1.1 as at 31 December 2023, 31 December 2024 and 30 September 2025 respectively

Gearing Ratio

Our gearing ratio remained stable at approximately 100.9% as at 31 December 2024 and 97.3% as at 30 September 2025. Our gearing ratio increased from approximately 60.2% as at 31 December 2023 to 100.9% as at 31 December 2024, which was primarily attributable to the significant increase in our interest-bearing bank and other borrowings of 44.4% from RMB2,654.8 million as at 31 December 2023 to RMB3,832.5 million as at 31 December 2024, further details of which are set forth in the paragraphs headed "Indebtedness — Interest-bearing Bank and Other Borrowings" in this section, as the equity attributable to owners of our Company remained relatively stable at RMB3,408.0 million as at 31 December 2023 and RMB3,354.0 million as at 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

We had historically funded our operations principally with cash generated from our operating activities. Going forward, we intend to continue to meet our capital requirements with cash from such sources, together with the net **[REDACTED]** from the **[REDACTED]**. We do not anticipate any material change to the availability of financing to fund our operations in the future.

Taking into account the financial resources available to us, including our net operating cash flow, cash and cash equivalents on hand and loan and credit facilities and the estimated net **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this document.

Cash Flows

During the Track Record Period, our cash and cash equivalents comprised (i) cash on hand and at banks; and (ii) short-term highly liquid deposits with a maturity of generally within three months that were readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

Set forth below is a summary of our consolidated statements of cash flows for each financial year/period during the Track Record Period:

	FY2023	**FY2024**	**9M2024**	**9M2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Operating cash flows before movements in working capital	414,315	496,052	389,705	382,002
Changes in working capital	(172,338)	(354,199)	(172,240)	(165,373)
Cash generated from operations	241,977	141,853	217,465	216,629
Interest received	10,052	6,107	4,580	16,389
Income tax paid	(73,205)	(2,701)	(9,986)	(29,204)
Net cash flows from operating activities	178,824	145,259	212,059	203,814
Net cash flows from/(used in) investing activities	119,123	(679,894)	(407,631)	130,120
Net cash flows (used in)/ from financing activities	(14,072)	370,720	155,767	(28,107)
Net increase/(decrease) in cash and cash equivalents	283,875	(163,915)	(39,805)	305,827
Cash and cash equivalents at beginning of year/period	370,628	661,436	661,436	503,209
Effect of foreign exchange rate changes, net	6,933	5,688	(3,029)	(2,829)
Cash and cash equivalents at end of year/period	661,436	503,209	618,602	806,207

Net Cash Flows from Operating Activities

Throughout the Track Record Period, we were able to maintain sound net cash flows from operating activities. Taking our profit before tax for a financial year/period as the starting point, adjustments were made for certain items on the consolidated statements of profit or loss with cash flow effects. The operating cash flows before movements in working capital so obtained were then further adjusted for changes in working capital, interest received and income tax paid to derive the net cash flow from operating activities for the financial year/period.

For 9M2025, our net cash flows from operating activities amounted to approximately RMB203.8 million. Our profit before tax for the period was approximately RMB537.3 million, which had been negatively adjusted for, among other things, (i) share of profits of associates of RMB329.6 million; (ii) bank interest income of RMB27.8 million; (iii) the increase in trade and bills receivables of RMB69.4 million; (iv) the increase in prepayments, other receivables and other assets of RMB49.3 million; (v) the decrease in other payables and accruals of RMB33.2 million; and (vi) income tax paid of RMB29.2 million, as partially offset by the positive adjustments made for, among other things, (i) finance costs of RMB80.2 million; (ii) depreciation of property, plant and equipment of RMB117.2 million; and (iii) amortisation of intangible assets of RMB20.5 million.

For FY2024, our net cash flows from operating activities amounted to approximately RMB145.3 million. Our profit before tax for the year was approximately RMB550.2 million, which had been negatively adjusted for, among other things, (i) bargain purchase gain arising from investment in an associate of RMB96.8 million; (ii) share of profits of associates of RMB314.4 million; (iii) bank interest income of RMB27.0 million; (iv) the increase in inventories of RMB51.1 million; (v) the increase in trade and bills receivables of RMB57.5 million; (vi) the increase in amounts due from related companies of RMB45.4 million; (vii) the increase in prepayments, other receivables and other assets of RMB25.1 million; and (viii) the decrease in trade and bills payables of RMB276.4 million, as partially offset by the positive adjustments made for, among other things, (i) finance costs of RMB97.3 million; (ii) depreciation of property, plant and equipment of RMB129.1 million; (iii) amortisation of intangible assets of RMB20.6 million; (iv) equity-settled share-based expense of RMB43.1 million; (v) impairment losses on property, plant and equipment of RMB94.8 million; and (vi) increase in other payables and accruals of RMB110.8 million.

For FY2023, our net cash flows from operating activities amounted to approximately RMB178.8 million. Our profit before tax for the year was approximately RMB427.0 million, which had been negatively adjusted for, among other things, (i) share of profits of associates of RMB226.6 million; (ii) bank interest income of RMB20.8 million; (iii) increase in inventories of RMB57.4 million; (iv) increase in trade and bills receivables of RMB58.3 million; (v) increase in trade and bills payables of RMB193.0 million; and (vi) income tax paid of RMB73.2 million, as partially offset by the positive adjustments made for (i) finance costs of RMB84.1 million; (ii) depreciation of property, plant and equipment of RMB115.1 million; (iii) decrease in amounts due from related companies of RMB38.0 million; (iv) decrease in prepayments, other receivables and other assets of RMB25.0 million; and (v) increase in other payables and accruals of RMB69.3 million.

Net Cash Flows from/(Used in) Investing Activities

Our cash flows from investing activities during the Track Record Period were primarily associated with dividends income, proceeds from disposal of investments in associates, proceeds from disposal of equity investments designated at fair value through other comprehensive income, proceeds from disposal of debt instruments at fair value through other comprehensive income, proceeds from government resettlement compensation, receipt of government grants for non-current assets, refund from prepaid equity investments and decrease in time deposits.

Our cash used in investing activities during the Track Record Period were primarily associated with investments in associates, purchase of financial assets at fair value through profit or loss, purchases of items of property, plant and equipment and intangible assets and increase in time deposits.

For 9M2025, our net cash flows from investing activities amounted to approximately RMB130.1 million, which was primarily attributable to (i) dividends income of RMB105.2 million; (ii) proceeds from disposal of investment in an associate of RMB36.0 million; (iii) proceeds from disposal of equity investments designated at fair value through other comprehensive income of RMB13.7 million, (iv) receipt of government grants for non-current assets of RMB64.7 million and (v) decrease of time deposits of RMB75.7 million, as partially offset by payment for purchase of items of property, plant and equipment and intangible assets of RMB166.7 million.

For FY2024, our net cash used in investing activities amounted to approximately RMB679.9 million, which was primarily attributable to (i) investment in an associate of RMB47.7 million; (ii) payment for purchase of financial assets at fair value through profit or loss of RMB30.0 million; (iii) payment for purchase of items of property, plant and equipment and intangible assets of RMB255.7 million; and (iv) increase of time deposits of RMB568.8 million, as partially offset by (i) dividends income of RMB76.7 million; (ii) proceeds from disposal of equity investments designated at fair value through other comprehensive income of RMB33.9 million; (iii) receipt of government grants for non-current assets of RMB97.3 million; and (iv) refund from prepaid equity investments of RMB13.5 million.

For FY2023, our net cash flows from investing activities amounted to approximately RMB119.1 million, which was primarily attributable to (i) dividends income of RMB45.1 million; (ii) proceeds from disposal of a subsidiary of RMB18.1 million; (iii) proceeds from disposal of debt instruments at fair value through other comprehensive income of RMB35.5 million; (iv) proceeds from government resettlement compensation of RMB24.9 million; (v) refund from prepaid equity investments of RMB12.5 million; and (vi) decrease of time deposit of RMB189.0 million, as partially offset by (i) payment for purchase of financial assets at fair value through profit or loss of RMB45.4 million; and (ii) payment for purchase of items of property, plant and equipment and intangible assets of RMB170.2 million.

Net Cash Flows from/(Used in) Financing Activities

Our cash flows from financing activities during the Track Record Period were primarily associated with grant of incentive shares, capital injection from non-controlling interests and new interest-bearing bank borrowings.

Our cash used in financing activities during the Track Record Period were primarily associated with payments for repurchase of ordinary Shares, repurchase of treasury shares under incentive plan, repayment of interest-bearing bank and other borrowings, payment of interest, payment of dividends and acquisition of non-controlling interests.

For 9M2025, our net cash used in financing activities amounted to approximately RMB28.1 million, which was primarily attributable to (i) repayment of interest-bearing bank and other borrowings of RMB1,674.4 million; (ii) payment of interest of RMB72.2 million; (iii) payment of dividends of RMB298.0 million; and (iv) payment for acquisition of non-controlling interests of RMB167.8 million, as partially offset by (i) capital injection from non-controlling interests of RMB64.5 million; and (ii) new interest-bearing bank borrowings of RMB2,130.5 million.

For FY2024, our net cash flows from financing activities amounted to approximately RMB370.7 million, which was primarily attributable to new interest-bearing bank borrowings of RMB2,251.7 million, as partially offset by (i) payments for repurchase of ordinary shares of RMB80.5 million; (ii) repayment of interest-bearing bank and other borrowings of RMB1,117.8 million; (iii) payment of interest of RMB83.7 million; (iv) payment of dividends of RMB501.4 million; and (iv) payment for acquisition of non-controlling interests of RMB90.8 million.

For FY2023, our net cash used in financing activities amounted to approximately RMB14.1 million, which was primarily attributable to (i) payment for repurchase of treasury shares under incentive plan of RMB30.5 million; (ii) repayment of interest-bearing bank and other borrowings of RMB1,531.0 million; (iii) payment of interest of RMB76.5 million; and (iv) payment of dividends of RMB47.5 million, as partially offset by (i) payment received from grant of incentive shares of RMB70.9 million; and (ii) new interest-bearing bank borrowings of RMB1,616.1 million.

INDEBTEDNESS

Set forth below are the details of our indebtedness as at the end of each financial year/period during the Track Record Period and 31 January 2026, being the most recent practicable date for the purpose of our liquidity disclosure:

	As at			
	31 December 2023	**31 December 2024**	**30 September 2025**	**31 January 2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current				
Interest-bearing bank and other borrowings	847,966	1,876,719	1,576,033	2,312,660
Lease liabilities	8,244	9,616	9,721	10,300
Sub-total	856,210	1,886,335	1,585,754	2,322,960

	As at			
	31 December 2023	31 December 2024	30 September 2025	31 January 2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Non-current				
Interest-bearing bank and other borrowings	1,806,800	1,955,810	2,699,528	1,651,450
Lease liabilities	50,140	45,481	39,108	37,043
Sub-total	1,856,940	2,001,291	2,738,636	1,688,493
Total	**2,713,150**	**3,887,626**	**4,324,390**	**4,011,453**

Interest-bearing Bank and Other Borrowings

On top of our operating cash flows, we also finance our operations with borrowings. As at 31 January 2026, the aggregate balance of our interest-bearing bank and other borrowings was approximately RMB3,964.1 million.

Set forth below are the details of our interest-bearing bank and other borrowings as at the end of each financial year/period during the Track Record Period and 31 January 2026:

	As at			
	31 December 2023	31 December 2024	30 September 2025	31 January 2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current				
Short-term bank loans — unsecured	475,145	765,159	873,269	1,374,031
Current portion of non-current bank loans — secured	54,216	93,368	107,080	122,479
Current portion of non-current bank loans — unsecured	313,910	987,378	591,656	816,150
Current portion of convertible bonds	4,695	6,929	4,028	—
Discounted bills	—	23,885	—	—
	847,966	1,876,719	1,576,033	2,312,660
Non-current				
Bank loans — secured	610,492	660,931	601,540	539,800
Bank loans — unsecured	663,850	745,450	1,536,095	1,111,650
Convertible bonds	532,458	549,429	561,893	—
	1,806,800	1,955,810	2,699,528	1,651,450
Total	**2,654,766**	**3,832,529**	**4,275,561**	**3,964,110**

During the Track Record Period, our unsecured short-term bank loans bore effective interest rates ranging from approximately 2.11% to 3.3% per annum, our secured bank loans bore effective interest rates ranging from 2.30% to 3.20%, our unsecured bank loans bore effective interest rates ranging from 2.24% to 3.20%, our convertible bonds had a weighted average effective interest rate of 4.35% and our discounted bills bore effective interest rates ranging from 0.90% to 1.04%.

The majority of our interest-bearing bank and other borrowings were in the form of unsecured bank loans as at 31 January 2026. In addition, we maintain facilities with a number of commercial banks in support of our operations. As at 31 January 2026, we had bank facilities of approximately RMB6,000.0 million, of which RMB2,052.1 million remained unutilised.

The changes in our interest-bearing bank and other borrowings during the Track Record were mainly driven by our capital needs in connection with construction projects and other external investments, and the prevailing debt capital market conditions and costs of borrowings. Specifically, our interest-bearing bank and other borrowings decreased by approximately RMB311.5 million from RMB4,275.6 million as at 30 September 2025 to RMB3,964.1 million 31 January 2026 primarily because of the redemption of convertible bonds, where payment was released in November 2025. Our interest-bearing bank and other borrowings increased by approximately RMB443.0 million from RMB3,832.5 million as at 31 December 2024 to RMB4,275.6 million as at 30 September 2025 primarily because we obtained additional bank borrowings in support of the establishment of new production facilities. Our interest-bearing bank and other borrowings increased by approximately RMB1,177.8 million from approximately RMB2,654.8 million as at 31 December 2023 to RMB3,832.5 million as at 31 December 2024 primarily because we substantially increased our bank borrowings in view of the falling market interest rate of bank borrowings and our capital needs taking into account our planned construction projects on production facilities and equity investments.

Maturity Analysis

Set forth below is a maturity analysis of our interest-bearing bank and other borrowings as at the end of each financial year/period during the Track Record Period:

	As at			
	31 December 2023	**31 December 2024**	**30 September 2025**	**31 January 2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Within one year	847,966	1,876,719	1,576,033	2,312,660
In the second year	613,308	778,980	1,192,870	821,584
In the third to fifth years, inclusive	997,514	1,019,954	1,417,781	744,298
Beyond five years	195,978	156,876	88,877	85,568
Total	**2,654,766**	**3,832,529**	**4,275,561**	**3,964,110**

Convertible Bonds

Our convertible bonds were issued on 26 January 2021 in the aggregate principal amount of approximately RMB800.2 million pursuant to approval granted by the China Securities Regulatory Commission and listed on the Shanghai Stock Exchange (bond code: 113621). The convertible bonds had a term of six years and carried interest payable annually at a rate that increased incrementally from 0.3% for the first year to 2.0% for the final year, with the weighted average effective interest rate being approximately 4.35%. The initial conversion price was RMB32.96 per share, as subsequently adjusted to RMB31.11 per share through six rounds of adjustments in accordance with the terms of issue, and the conversion period commenced on 2 August 2021 and shall end on 25 January 2027.

As at 31 December 2023, 31 December 2024 and 30 September 2025, the current and non-current portions of our convertible bonds had an aggregate carrying amount of approximately RMB537.2 million, RMB556.4 million and RMB565.9 million respectively.

Given that the share price of A Shares had remained not lower than 130% of the prevailing conversion price for not less than 15 trading days within the period from 24 September 2025 to 22 October 2025, the redemption mechanism of the convertible bonds under the terms of issue was triggered. On 22 October 2025, the Board resolved to exercise the early redemption rights and redeem all registered convertible bonds as at 13 November 2025 at a price equal to the face value of the convertible bonds plus accrued interest.

On 14 November 2025, payment for redemption of the convertible bonds was released and the convertible bonds were delisted. Therefore, as at 31 January 2026, the carrying amount of our convertible bonds was nil.

Lease Liabilities

We apply a single recognition and measurement approach for all leases, (except for short-term leases and leases of low-value assets), where we recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. During the Track Record Period, our lease liabilities were associated with such underlying assets as leasehold land, buildings and machine and equipment.

Set forth below are the details of our lease liabilities as at the end of each financial year/period during the Track Record Period and 31 January 2026:

	As at			
	31 December 2023	**31 December 2024**	**30 September 2025**	**31 January 2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current	8,244	9,616	9,721	10,300
Non-current	50,140	45,481	39,108	37,043
Total	**58,384**	**55,097**	**48,829**	**47,343**

Our lease liabilities decreased from approximately RMB58.4 million as at 31 December 2023 to RMB55.1 million as at 31 December 2024 and further to RMB48.8 million as at 30 September 2025 primarily because of the lease payments made during the respective

financial year/period. As at 31 January 2026, our lease liabilities remained relatively stable at approximately RMB47.3 million as compared with the balance of RMB48.8 million as at 30 September 2025.

Contingent Liabilities

As at each of 31 December 2023, 31 December 2024, 30 September 2025 and 31 January 2026 and up to the Latest Practicable Date, we did not have any material contingent liabilities.

CONTRACTUAL COMMITMENTS

Our contractual commitments during the Track Record Period comprised (i) capital commitment in respect of acquisition of approximately 14.0% of the equity interest in Kempur that was contracted but not provided for as at 31 December 2023; and (ii) contractual commitments in respect of acquisition of property, plant and equipment that were contracted but not provided for as at the end of each financial year/period during the Track Record Period. Set forth below are further details of such contractual commitments:

	As at		
	31 December 2023	**31 December 2024**	**30 September 2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Contracted, but not provided for:			
Capital commitment	90,805	—	—
Property plant and equipment	86,736	124,175	140,959
Total	**177,541**	**124,175**	**140,959**

CAPITAL EXPENDITURE

Our capital expenditure during the Track Record Period comprised expenditure on acquisition of property, plant and equipment, right-of-use assets and intangible assets. Set forth below is a breakdown of our capital expenditure by type of assets acquired during the Track Record Period:

	FY2023	**FY2024**	**9M2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Property, plant and equipment	241,452	250,064	170,465
Right-of-use assets	57,904	6,948	—
Intangible assets	1,865	93,338	720
Total	**301,221**	**350,350**	**171,185**

Our capital expenditure is subject to change from time to time, based on a basket of factors such as our business strategy, the prevailing market conditions and regulatory environment, our results of operations and the business outlook. We had historically met

our capital expenditure primarily with cash generated from our operating activities and external borrowings. Going forward, we intend to continue to meet our capital expenditure with cash from such sources, together with the net **[REDACTED]** from the **[REDACTED]**.

RELATED PARTY TRANSACTIONS

We entered into transactions with our related parties in the form of sale of goods from time to time. For further details of our related party transactions, please see note 43 to the Accountants' Report presented in Appendix I to this document.

Our Directors are of the view that such related party transactions were conducted on an arm's-length basis and normal commercial terms in our ordinary and usual course of business, and that they did not distort our results of operations during the Track Record Period or render our historical results not reflective of our future performance. We are expected to continue to conduct such transactions with our related parties from time to time in the future in our ordinary and usual course of business.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, we had not entered into any material off-balance sheet commitments and arrangements.

DISCLOSURE ABOUT FINANCIAL RISKS

Our principal financial instruments comprise cash and cash equivalents, time deposits, pledged deposits, trade and bills receivables, amounts due from related companies, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit and loss, trade and bills payables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings. Such financial instruments serve to furnish our Group with the funds required for our operations. We have various other financial assets and liabilities, such as trade and bills receivables and trade and bills payables, which arise directly from our operations.

The main risks associated with the above financial instruments include interest rate risks, currency risks, credit risks and liquidity risks. Our Board reviews and approves from time to time policies for managing each of such risks. Set forth below are further details of such risks:

Interest Rate Risks

We are exposed to the risks of changes in market interest rates arising primarily from our long term debt obligations that carry floating interest rates. Any increase or decrease in the interest rate of interest-bearing bank borrowings would have a bearing on our profit after tax and total equity. It is our policy to manage our interest expenses using a mix of fixed- and variable-rate debt financing. For details, please see note 47 to the Accountants' Report presented in Appendix I to this document.

Foreign Currency Risks

Foreign currency risks are the risks of loss resulting from changes in foreign currency exchange rates. Our financial statements are presented in RMB, which is our functional currency. Each entity in our Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in our Group are initially

recorded applying the functional currency exchange rates prevailing as at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rates prevailing as at the end of each financial year/period within the Track Record Period. Differences arising on settlement or translation of monetary items are recognised in our consolidated statement of profit or loss. Fluctuations in exchange rates between RMB and other currencies in which our Group conducts business may therefore affect our profit after tax. For details, please see note 47 to the Accountants' Report presented in Appendix I to this document. To reduce our susceptibility to exchange rate fluctuations, we seek to make our sales and purchases in our functional currency to the largest practicable extent, or in the same foreign currency where it would not be practicable to conduct the transactions in our functional currency.

Credit Risks

Credit risks refer to the risks that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risks are primarily attributable to our trade and bills receivables and other receivables. We trade only with recognised and creditworthy parties. Under our Group's policy, all customers who wish to trade on credit terms are subject to our credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in our functional currency, credit terms may be offered only after performing specific verification procedures.

Liquidity Risks

Liquidity risks are the risks that we will encounter difficulty in meeting financial obligations due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and other available sources of financing. We monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows. For the maturity profile of our financial liabilities as at the end of each financial year/period during the Track Record Period based on the contractual undiscounted payments, please see note 47 to the Accountants' Report presented in Appendix I to this document.

DIVIDEND POLICY

Our declaration and payment of dividends are subject to the PRC laws and regulations, including, among other things, the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號–上市公司現金分紅(2025年修訂)》), and our Articles of Association.

Our dividend policy is set forth in our Articles of Association. As the overarching principle, our profit distribution plan should emphasise providing **[REDACTED]** with reasonable returns, where account should also be taken of our actual operating condition in the relevant financial year and the sustainable development of our business, and we should seek to maintain consistency, reasonableness and stability of our profit distribution policy, especially in relation to payment of cash dividends. We set it as our goal that over any consecutive three-year period, the total cash dividends distributed shall be no less than 30% of the average annual distributable profits realised during that three-year period. We may opt not to make profit distribution if a non-unqualified opinion is given or material

uncertainty related to going concern is expressed in the auditors' report for the latest financial year, if our debt to asset ratio exceeds 70%, or if we record a net cash outflow for the relevant financial year.

Under our dividend policy, profit distribution may be made by means of payment of cash dividends, issue of scrip shares or a combination of both, or such other means as may be permitted under the applicable laws and regulations. In deciding the profit distribution method, priority should be given to payment of cash dividends, provided that the following conditions are met: (i) we record distributable profit (i.e. profit after tax of after recovery of losses and allocation to the reserve fund) for the relevant financial year or interim period of six months; (ii) our aggregate distributable profit is positive; (iii) our auditors gave a standard unqualified opinion in its auditors' report in respect of our financial statements for the relevant financial year; and (iv) our cash flows are sufficient to meet our needs in connection with our daily operations and sustainable development. Where the above conditions are met, the amount of profit distributed by us by means of payment of cash dividends in respect of a financial year should be no less than 15% of the distributable profit recorded for that financial year.

Any proposed profit distribution plan is subject to the discretion of our Board and approval at a Shareholders' meeting. When formulating a profit distribution plan, our Board will take into consideration the following factors:

- characteristics of the industry in which we operate;
- our stage of development;
- our business model;
- our profitability for the relevant financial year/period;
- whether there are any significant capital expenditure plans; and
- such other conditions as may be deemed relevant by our Board.

During the Track Record Period, we had declared final dividend and interim dividend in the form of cash dividend. For FY2023, FY2024 and 9M2025, our final dividend declared amounted to approximately RMB47.5 million, RMB352.4 million and RMB298.0 million respectively. In addition, during FY2024, we declared interim dividend for the first half of the financial year in the amount of approximately RMB149.0 million.

DISTRIBUTABLE RESERVES

As at 30 September 2025, we had approximately RMB1,893.8 million of retained profits available for distribution to our shareholders.

[REDACTED]

The **[REDACTED]** to be borne by us are estimated to be approximately RMB**[REDACTED]** (based on the **[REDACTED]** of HK$**[REDACTED]** per H Share, being the **[REDACTED] [REDACTED]** stated in this document), representing **[REDACTED]** of the estimated **[REDACTED]** from the **[REDACTED]**, assuming the **[REDACTED]** is not exercised at all. Our **[REDACTED]** consist of (i) **[REDACTED]**-related expenses, including **[REDACTED]** commission, of approximately RMB**[REDACTED]**; and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]**, comprising (a) fees and expenses of our legal advisers and reporting accountants of RMB**[REDACTED]**; and (b) other fees and expenses of RMB**[REDACTED]**.

During the Track Record Period, we did not incur any **[REDACTED]**. Subsequent to the Track Record Period, approximately RMB**[REDACTED]** of our **[REDACTED]** are expected to be charged to our consolidated statements of profit or loss, and the remaining RMB**[REDACTED]** of our **[REDACTED]** are expected to be accounted for as a deduction from equity upon **[REDACTED]**.

We do not consider any of the above components of our **[REDACTED]** to be unusually high for our Group. The **[REDACTED]** stated above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that since 30 September 2025, being the end of the Track Record Period, and up to the date of this document, there has been no material adverse change in the financial or trading position of our Group, and that there has been no event since 30 September 2025 that would materially affect the information in the Accountants' Report presented in Appendix I to this document.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as at the Latest Practicable Date, there were no circumstances that would give rise to any disclosure obligation under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please refer to the section headed "Business — Our strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the maximum **[REDACTED]** stated in this document), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses in connection with the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised). In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for enhancing our R&D efficiency and capabilities. In particular:

  (i) approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for procuring R&D-related materials including pharmaceutical solvents, glassware and consumables, utilities expenses in the course of R&D activities, as well as other related expenses such as routine maintenance of experimental facilities, fees paid to external testing institutions for sample testing, and day-to-day office and travel expenses;

  (ii) approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for acquiring R&D equipment such as analytical and testing instruments and laboratory renovation and enhancement works to support our ongoing research and development activities;

  (iii) approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for collaboration in R&D projects with universities and other research institutions, engaging external experts in the electronic chemicals and related industries, and expenses incurred in applying for patents in the PRC and overseas; and

  (iv) approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used in attracting and retaining R&D personnels, thereby continuously enhancing our R&D capabilities.

- approximately **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for expanding our overseas market presence and supply capabilities. In particular,

  (i) approximately **[REDACTED]**, or HK$**[REDACTED]** million, will be used in overseas production base establishment. Specifically, we plan to use such amounts in, among others, procuring the required production equipment, the construction of the production plants and construction costs, system-related and personnel expenses.

  (ii) approximately **[REDACTED]**, or HK$**[REDACTED]** million, will be used to establish overseas subsidiaries and/or offices and expand our global sales team by recruiting and retaining personnels focusing on overseas sales.

- approximately **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for the upgrade and maintenance of our production facilities to enhance our production capabilities and competitiveness of our products, including but not limited to (a) replacement and/or upgrade of reactors used in daily production and storage tanks for various raw materials and finished products; (b) replacement and/or upgrade of equipment and related software used in production; (c) related construction and installation costs; and (d) ongoing maintenance of equipment and recruitment and retention of maintenances personnels. In particular,

  (i) approximately **[REDACTED]**, or HK$**[REDACTED]**, will be used for the upgrade and maintenance of our production lines for photoresist and high-purity solvents;

  (ii) approximately **[REDACTED]**, or HK$**[REDACTED]**, will be used for upgrade and maintenance of our production lines for high-performance resins; and

  (iii) approximately **[REDACTED]**, or HK$**[REDACTED]**, will be used for the upgrade and maintenance of our production lines for rubber additives.

- approximately **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for strategic investments and/or acquisition to achieve our long-term growth strategies. We intend to seek potential investment and acquisition opportunities in both domestic and international markets. Our focus would be on companies that would bring synergy to our core business, including but not limited to, companies engaging in R&D, production and/or sale of upstream raw materials of our products or other new chemical materials that would be complementary to our business operations. In evaluating potential targets for investment and acquisition, we primarily assess factors such as their business strategies, management, product offerings, technological expertise and financial performance.

- approximately **[REDACTED]**, or HK$**[REDACTED]**, will be used for repaying bank borrowings.

- approximately **[REDACTED]**, or HK$**[REDACTED]**, is expected to be used for working capital and general corporate uses.

To the extent that the net **[REDACTED]** from the **[REDACTED]** are either more or less than expected (including as a result of (i) the **[REDACTED]** being set at a price lower than the **[REDACTED] [REDACTED]**; or (ii) additional net **[REDACTED]** from the exercise of the **[REDACTED]**), we will adjust our allocation of the net **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined in the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF RED AVENUE NEW MATERIALS GROUP CO., LTD. AND HAITONG INTERNATIONAL CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of Red Avenue New Materials Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[•] to I-[•], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023 and 2024 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023 and 2024 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "Document") in connection with the **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the 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 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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 ("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 set out in note 2.1 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 financial position of the Group and the Company as at 31 December 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the nine months ended 30 September 2024 and 2025, the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2025 and other explanatory information (the "Interim Financial Information"). The directors of the Company are responsible for the preparation of the Interim Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim 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 inquiries, 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 Interim Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 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 as defined on page I-[•] have been made.

Dividends

We refer to note 12 to the Historical Financial Information and the unaudited Interim Financial Information about the dividends paid by the Company in respect of the Relevant Periods and in the period covered by the Interim Financial Information.

[•]
Certified Public Accountants
Hong Kong
[DATE]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by [•] in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The unaudited Interim Financial Information in this report was prepared based on management accounts of the Group for the nine months ended 30 September 2024 and 2025.

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

		Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
REVENUE	5	2,937,334	3,263,380	2,419,641	2,517,471
Cost of sales		(2,252,274)	(2,467,523)	(1,804,545)	(1,883,148)
Gross profit		685,060	795,857	615,096	634,323
Other income and gains	5	62,504	168,053	135,950	79,691
Other expenses	7	(14,978)	(108,650)	(109,555)	(15,030)
Selling and marketing expenses		(92,430)	(112,039)	(81,083)	(84,777)
Administrative expenses		(183,670)	(194,582)	(142,886)	(149,384)
Research and development expenses		(179,780)	(216,572)	(147,938)	(177,392)
Fair value gains/(losses) on financial assets at fair value through profit or loss		12,058	1,836	(5,879)	—
(Reversal of impairment loss)/ Impairment losses on financial assets, net		(4,281)	(806)	(1,027)	447
Finance costs	8	(84,085)	(97,323)	(68,131)	(80,214)
Share of profits of associates		226,587	314,392	286,818	329,634
PROFIT BEFORE TAX	6	426,985	550,166	481,365	537,298
Income tax	11	(22,867)	(15,981)	(14,038)	(15,694)
PROFIT FOR THE YEAR/PERIOD		404,118	534,185	467,327	521,604
Attributable to:					
Owners of the parent		406,598	516,772	453,320	511,257
Non-controlling interests		(2,480)	17,413	14,007	10,347
		404,118	534,185	467,327	521,604
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic (RMB per share)	13	0.68	0.86	0.76	0.86
Diluted (RMB per share)	13	0.68	0.86	0.76	0.86

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
PROFIT FOR THE YEAR/PERIOD	404,118	534,185	467,327	521,604
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive income/(loss) of associates	11,103	10,219	(35,506)	25,364
Transfer of fair value reserve upon the disposal of debt instruments at fair value through other comprehensive income, net of tax	218	—	—	—
Exchange differences on translation of foreign operations	5,870	3,085	(7,284)	(3,157)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	17,191	13,304	(42,790)	22,207
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	(13,709)	2,887	1,699	—
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(13,709)	2,887	1,699	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	3,482	16,191	(41,091)	22,207
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	407,600	550,376	426,236	543,811
Attributable to:				
Owners of the parent	410,080	532,963	412,229	533,464
Non-controlling interests	(2,480)	17,413	14,007	10,347
	407,600	550,376	426,236	543,811

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023 RMB'000	2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	14	2,086,039	2,105,204	2,158,483
Investment properties	15	5,049	4,101	3,390
Right-of-use assets	16(a)	285,750	276,718	264,512
Goodwill	17	437,441	437,441	437,441
Intangible assets	18	132,066	204,940	185,156
Investments in associates	19	1,580,241	2,131,238	2,487,833
Equity investments designated at fair value through other comprehensive income	21	75,456	45,412	31,697
Financial assets at fair value through profit or loss	22	109,572	128,634	128,634
Prepayments, other receivables and other assets	26	25,255	52,218	103,559
Deferred tax assets	23	52,660	69,469	75,455
Total non-current assets		4,789,529	5,455,375	5,876,160
CURRENT ASSETS				
Inventories	24	430,729	486,214	511,269
Trade and bills receivables	25	1,008,741	1,064,924	1,133,800
Due from related companies	43	100,145	145,136	130,603
Prepayments, other receivables and other assets	26	88,094	82,786	149,271
Financial assets at fair value through profit or loss	22	143,736	—	—
Tax recoverable		28,944	888	5,930
Time deposits	27	43,629	634,591	558,041
Pledged deposits	27	38,922	36,004	25,100
Cash and cash equivalents	27	661,436	503,209	806,207
Total current assets		2,544,376	2,953,752	3,320,221
CURRENT LIABILITIES				
Trade and bills payables	28	652,452	528,632	546,994
Contract liabilities	29	3,405	3,368	3,100
Other payables and accruals	30	284,295	349,051	369,027
Interest-bearing bank and other borrowings	31	847,966	1,876,719	1,576,033
Lease liabilities	16(b)	8,244	9,616	9,721
Tax payable		11,885	17,150	16,427
Total current liabilities		1,808,247	2,784,536	2,521,302
NET CURRENT ASSETS		736,129	169,216	798,919
TOTAL ASSETS LESS CURRENT LIABILITIES		5,525,658	5,624,591	6,675,079

	Notes	As at 31 December 2023 RMB'000	2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	31	1,806,800	1,955,810	2,699,528
Lease liabilities	16(b)	50,140	45,481	39,108
Deferred income	33	110,361	112,778	118,092
Deferred taxes liabilities	23	53,461	51,192	49,433
Total non-current liabilities		2,020,762	2,165,261	2,906,161
Net assets		3,504,896	3,459,330	3,768,918
EQUITY				
Equity attributable to owners of the parent				
Share capital	34	599,831	599,081	598,955
Treasury shares	35	(100,008)	(131,521)	(105,312)
Other equity instruments	32	55,362	55,344	55,338
Reserves	36	2,852,806	2,831,056	3,066,777
		3,407,991	3,353,960	3,615,758
Non-controlling interests		96,905	105,370	153,160
Total equity		3,504,896	3,459,330	3,768,918

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent														
	Share capital	Treasury shares	Other equity instruments	Share premium*	Share-based payments reserve*	Fair value reserve*	Exchange fluctuation reserve*	Statutory surplus reserve*	Capital and other reserve*	Other comprehensive income*	Special reserve — safety production fund*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 34)	*(note 35)*	*(note 32)*			*(note 36(a))*		*(note 36(b))*	*(note 36(c))*	*(note 36(d))*					
At 1 January 2023	596,122	(60,144)	55,374	1,174,996	10,052	(6,463)	12,464	109,863	(235,499)	(39,271)	—	1,424,012	3,041,506	100,625	3,142,131
Profit/(Loss) for the year	—	—	—	—	—	—	—	—	—	—	—	406,598	406,598	(2,480)	404,118
Other comprehensive income for the year:															
Exchange differences on translation of foreign operations	—	—	—	—	—	—	5,870	—	—	—	—	—	5,870	—	5,870
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	—	(13,709)	—	—	—	—	—	—	(13,709)	—	(13,709)
Transfer of fair value reserve upon the disposal of debt instruments at fair value through other comprehensive income, net of tax	—	—	—	—	—	218	—	—	—	—	—	—	218	—	218
Share of other comprehensive income of associates	—	—	—	—	—	—	—	—	—	11,103	—	—	11,103	—	11,103
Total comprehensive income for the year	—	—	—	—	—	(13,491)	5,870	—	—	11,103	—	406,598	410,080	(2,480)	407,600
Restricted shares (as defined in note 37) granted under share incentive plan	4,768	(70,948)	—	66,180	—	—	—	—	—	—	—	—	—	—	—
Exercise of conversion rights for convertible bonds	3	—	(12)	125	—	—	—	—	—	—	—	—	116	—	116
Repurchase and cancellation of treasury shares	(1,062)	31,084	—	(30,022)	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	3,814	—	—	—	—	—	—	—	3,814	550	4,364
Liquidation of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,790)	(1,790)
Appropriation of special reserves	—	—	—	—	—	—	—	—	—	—	20,807	(20,807)	—	—	—
Utilisation of special reserve	—	—	—	—	—	—	—	—	—	—	(20,807)	20,807	—	—	—
Appropriation of statutory surplus reserve	—	—	—	—	—	—	—	67,119	—	—	—	(67,119)	—	—	—
Dividend declared	—	—	—	—	—	—	—	—	—	—	—	(47,525)	(47,525)	—	(47,525)
At 31 December 2023	599,831	(100,008)	55,362	1,211,279	13,866	(19,954)	18,334	176,982	(235,499)	(28,168)	—	1,715,966	3,407,991	96,905	3,504,896

Year ended 31 December 2024

	Attributable to owners of the parent													
	Share capital RMB'000 (note 34)	Treasury shares RMB'000 (note 35)	Other equity instruments RMB'000 (note 32)	Share premium* RMB'000	Share-based payments reserve* RMB'000	Fair value reserve* RMB'000 (note 36(a))	Exchange fluctuation reserve* RMB'000	Statutory surplus reserve* RMB'000 (note 36(b))	Capital and other reserve* RMB'000 (note 36(c))	Other comprehensive income* RMB'000 (note 36(d))	Special reserve — safety production fund* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	599,831	(100,008)	55,362	1,211,279	13,866	(19,954)	18,334	176,982	(235,499)	(28,168)	—	1,715,966	3,407,991	96,905	3,504,896
Profit for the year	—	—	—	—	—	—	—	—	—	—	—	516,772	516,772	17,413	534,185
Other comprehensive income for the year:															
Exchange differences on translation of foreign operations	—	—	—	—	—	—	3,085	—	—	—	—	—	3,085	—	3,085
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	—	2,887	—	—	—	—	—	—	2,887	—	2,887
Share of other comprehensive income of associates	—	—	—	—	—	—	—	—	—	10,219	—	—	10,219	—	10,219
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	—	—	—	—	—	(4,600)	—	460	—	—	—	4,140	—	—	—
Total comprehensive income for the year	—	—	—	—	—	(1,713)	3,085	460	—	10,219	—	520,912	532,963	17,413	550,376
Repurchase of ordinary shares	—	(80,492)	—	—	—	—	—	—	—	—	—	—	(80,492)	—	(80,492)
Restricted shares (as defined in note 37) granted under share incentive plan	237	(3,531)	—	3,294	—	—	—	—	—	—	—	—	—	—	—
Repurchase and cancellation of treasury shares	(993)	29,060	—	(28,067)	—	—	—	—	—	—	—	—	—	—	—
Exercise of conversion rights for convertible bonds	6	—	(18)	198	—	—	—	—	—	—	—	—	186	—	186
Restricted shares vested	—	23,450	—	25,279	(25,279)	—	—	—	—	—	—	—	23,450	—	23,450
Dividend declared	—	—	—	—	—	—	—	—	—	—	—	(501,420)	(501,420)	—	(501,420)
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(79,753)	—	—	—	(79,753)	(11,053)	(90,806)
Share-based payments	—	—	—	—	40,995	—	—	—	—	—	—	—	40,995	2,105	43,100
Appropriation of special reserves	—	—	—	—	—	—	—	—	—	—	28,653	(28,653)	—	—	—
Utilisation of special reserve	—	—	—	—	—	—	—	—	—	—	(28,653)	28,653	—	—	—
Appropriation of statutory surplus reserve	—	—	—	—	—	—	—	41,448	—	—	—	(41,448)	—	—	—
Other	—	—	—	—	—	—	—	—	10,040	—	—	—	10,040	—	10,040
At 31 December 2024	599,081	(131,521)	55,344	1,211,983	29,582	(21,667)	21,419	218,890	(305,212)	(17,949)	—	1,694,010	3,353,960	105,370	3,459,330

Nine months ended 30 September 2024 (unaudited)

	Attributable to owners of the parent														
	Share capital	Treasury shares	Other equity instruments	Share premium*	Share-based payments reserve*	Fair value reserve*	Exchange fluctuation reserve*	Statutory surplus reserve*	Capital and other reserve*	Other comprehensive income*	Special reserve — safety production fund*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 34)	(note 35)	(note 32)			(note 36(a))		(note 36(b))	(note 36(c))	(note 36(d))					
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2024	599,831	(100,008)	55,362	1,211,279	13,866	(19,954)	18,334	176,982	(235,499)	(28,168)	—	1,715,966	3,407,991	96,905	3,504,896
Profit for the period	—	—	—	—	—	—	—	—	—	—	—	453,320	453,320	14,007	467,327
Other comprehensive income for the period:															
Exchange differences related to foreign operations	—	—	—	—	—	—	(7,284)	—	—	—	—	—	(7,284)	—	(7,284)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	—	1,699	—	—	—	—	—	—	1,699	—	1,699
Share of other comprehensive income of associates	—	—	—	—	—	—	—	—	—	(35,506)	—	—	(35,506)	—	(35,506)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	—	—	—	—	—	(5,939)	—	—	—	—	—	5,939	—	—	—
Total comprehensive income for the period	—	—	—	—	—	(4,240)	(7,284)	—	—	(35,506)	—	459,259	412,229	14,007	426,236
Repurchase of ordinary shares	—	(80,492)	—	—	—	—	—	—	—	—	—	—	(80,492)	—	(80,492)
Repurchase and cancellation of treasury shares	(756)	25,522	—	(24,766)	—	—	—	—	—	—	—	—	—	—	—
Exercise of conversion rights for convertible bonds	2	—	(7)	67	—	—	—	—	—	—	—	—	62	—	62
Dividend declared	—	—	—	—	—	—	—	—	—	—	—	(352,401)	(352,401)	—	(352,401)
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(79,753)	—	—	—	(79,753)	(11,053)	(90,806)
Share-based payments	—	—	—	—	32,182	—	—	—	—	—	—	—	32,182	907	33,089
Appropriation of special reserves	—	—	—	—	—	—	—	—	—	—	21,245	(21,245)	—	—	—
Utilisation of special reserve	—	—	—	—	—	—	—	—	—	—	(6,502)	6,502	—	—	—
Other	—	—	—	—	—	—	—	—	10,040	—	—	—	10,040	—	10,040
At 30 September 2024 (unaudited)	599,077	(154,978)	55,355	1,186,580	46,048	(24,194)	11,050	176,982	(305,212)	(63,674)	14,743	1,808,081	3,349,858	100,766	3,450,624

Nine months ended 30 September 2025 (unaudited)

	Attributable to owners of the parent													
	Share capital	Treasury shares	Other equity instruments	Share premium*	Share-based payments reserve*	Fair value reserve*	Exchange fluctuation reserve*	Statutory surplus reserve*	Capital and other reserve*	Other comprehensive income*	Special reserve — safety production fund*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 34)	(note 35)	(note 32)			(note 36(a))		(note 36(b))	(note 36(c))	(note 36(d))					
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 January 2025	599,081	(131,521)	55,344	1,211,983	29,582	(21,667)	21,419	218,890	(305,212)	(17,949)	—	1,694,010	3,353,960	105,370	3,459,330
Profit for the period	—	—	—	—	—	—	—	—	—	—	—	511,257	511,257	10,347	521,604
Other comprehensive income for the period:															
Exchange differences related to foreign operations	—	—	—	—	—	—	(3,157)	—	—	—	—	—	(3,157)	—	(3,157)
Share of other comprehensive income of associates	—	—	—	—	—	—	—	—	—	25,364	—	—	25,364	—	25,364
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	—	—	—	—	—	(3,715)	—	—	—	—	—	3,715	—	—	—
Total comprehensive income for the period	—	—	—	—	—	(3,715)	(3,157)	—	—	25,364	—	514,972	533,464	10,347	543,811
Repurchase and cancellation of treasury shares	(127)	1,886	—	(1,759)	—	—	—	—	—	—	—	—	—	—	—
Exercise of conversion rights for convertible bonds	1	—	(6)	52	—	—	—	—	—	—	—	—	47	—	47
Restricted shares vested	—	24,323	—	24,323	(24,323)	—	—	—	—	—	—	—	24,323	—	24,323
Dividend declared	—	—	—	—	—	—	—	—	—	—	—	(297,998)	(297,998)	—	(297,998)
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(140,768)	—	—	—	(140,768)	(27,071)	(167,839)
Capital injection from non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	64,514	64,514
Share-based payments	—	—	—	—	14,826	—	—	—	—	—	—	—	14,826	—	14,826
Appropriation of special reserves	—	—	—	—	—	—	—	—	—	—	26,104	(26,104)	—	—	—
Utilisation of special reserve	—	—	—	—	—	—	—	—	—	—	(8,920)	8,920	—	—	—
Share of associate's other net assets change (note 19)	—	—	—	—	—	—	—	—	127,904	—	—	—	127,904	—	127,904
At 30 September 2025 (unaudited)	598,955	(105,312)	55,338	1,234,599	20,085	(25,382)	18,262	218,890	(318,076)	7,415	17,184	1,893,800	3,615,758	153,160	3,768,918

* These reserve accounts represent the total consolidated reserves of RMB2,852,806,000, RMB2,831,056,000 and RMB3,066,777,000 (unaudited) in the consolidated statements of financial position as at 31 December 2023, 2024 and 30 September 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023 RMB'000	2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		426,985	550,166	481,365	537,298
Adjustments for:					
Finance costs	8	84,085	97,323	68,131	80,214
Depreciation of property, plant and equipment	6	115,147	129,128	101,735	117,237
Depreciation of investment properties	6, 15	948	948	711	711
Depreciation of right-of-use assets	6, 16	16,702	15,980	11,568	12,206
Amortisation of intangible assets	6, 18	17,699	20,577	13,410	20,504
Losses on disposal of items of property, plant and equipment, net	6	7,362	804	240	809
Fair value (losses)/gains on financial assets at fair value through profit or loss	6	(12,058)	(1,836)	5,879	—
Bargain purchase gain arising from investment in an associate	5	—	(96,750)	(94,617)	—
Equity-settled share-based expense	6, 37	4,364	43,100	33,089	14,826
Share of profits of associates	6	(226,587)	(314,392)	(286,818)	(329,634)
Losses on disposal of a subsidiary	6, 7	7,216	—	—	—
Gains on disposal of investments in an associate	5	—	—	—	(14,406)
Gains on disposal of debt instruments at fair value through other comprehensive income	5	(615)	—	—	—
Impairment losses on inventories, net	6	5,699	9,540	—	—
Impairment losses on property, plant and equipment	6	—	94,792	94,792	—
Amortisation of deferred income		(7,066)	(9,640)	(7,230)	(17,102)
Impairment losses on financial assets, net	6	4,281	806	1,027	(447)
Additional deduction for value-added tax	5	—	(12,824)	(9,897)	(9,761)
Foreign exchange gains, net		(4,147)	(2,796)	(3,731)	(2,191)
Dividends income	5	(4,925)	(1,860)	(1,860)	(450)
Bank interest income	5	(20,775)	(27,014)	(18,089)	(27,812)
		414,315	496,052	389,705	382,002
(Increase)/decrease in inventories		(57,441)	(51,079)	34,076	(24,705)
Increase in trade and bills receivables		(58,289)	(57,504)	(33,697)	(69,441)
Decrease/(increase) in due from related companies		37,998	(45,359)	(50,700)	15,100

	Notes	Year ended 31 December 2023 RMB'000	2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Decrease/(increase) in prepayments, other receivables and other assets		24,990	(25,114)	(23,779)	(49,300)
Decrease/(increase) in pledged deposits		3,953	2,918	15,263	10,904
(Decrease)/increase in trade and bills payables		(193,009)	(276,366)	(123,366)	(17,758)
Increase/(decrease) in other payables and accruals		69,285	110,791	(73,941)	(33,225)
Increase/(decrease) in deferred income		1,307	(12,445)	82,262	3,320
(Decrease)/increase in contract liabilities		(1,132)	(41)	1,642	(268)
Cash generated from operations		241,977	141,853	217,465	216,629
Interest received		10,052	6,107	4,580	16,389
Income tax paid		(73,205)	(2,701)	(9,986)	(29,204)
Net cash flows from operating activities		178,824	145,259	212,059	203,814
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends income		45,063	76,668	71,968	105,163
Disposal of a subsidiary		18,141	—	—	—
Investment in an associate		—	(47,741)	(47,741)	—
Proceeds from disposal of investment in an associate		—	—	—	36,000
Purchase of financial assets at fair value through profit or loss		(45,422)	(30,000)	—	—
Proceeds from disposal of financial assets at fair value through profit or loss		3	—	—	—
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		—	33,893	—	13,715
Proceeds from disposal of debt instruments at fair value through other comprehensive income		35,542	—	—	—
Proceeds from disposal of items of property, plant and equipment		4,353	1,036	92	1,471
Proceeds from government resettlement compensation		24,878	—	—	—
Purchases of items of property, plant and equipment and intangible assets		(170,240)	(255,739)	(171,941)	(166,671)
Receipt of government grants for non-current assets		5,300	97,337	97,337	64,713
Refund from prepaid equity investments		12,500	13,500	13,500	—
Decrease/(increase) of time deposits		189,005	(568,848)	(370,846)	75,729
Net cash flows from/(used in) investing activities		119,123	(679,894)	(407,631)	130,120

	Notes	Year ended 31 December 2023 RMB'000	2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant of incentive shares		70,948	3,531	3,531	—
Payments for repurchase of ordinary shares		—	(80,492)	(80,492)	—
Treasury shares repurchased under incentive plan		(30,494)	(30,235)	(28,715)	(1,531)
Capital injection from non-controlling interests		—	—	—	64,514
New interest-bearing bank borrowings		1,616,143	2,251,650	1,573,150	2,130,500
Repayment of interest-bearing bank borrowings		(1,530,975)	(1,117,809)	(851,108)	(1,674,421)
Proceeds from discounted bills receivable		—	23,703	—	—
Principal portion of lease payments		(7,306)	(12,710)	(6,643)	(9,140)
Prepayment of the principal portion of lease payments		—	(1,015)	—	—
Payment for sale-leaseback transactions		(6,609)	—	—	—
Interest paid		(76,464)	(83,717)	(66,185)	(72,192)
Dividends paid		(47,525)	(501,420)	(352,401)	(297,998)
Return of capital to non-controlling interests		(1,790)	—	—	—
Acquisition of non-controlling interests		—	(90,806)	(45,410)	(167,839)
Proceeds from equity holders' non-compliant share reduction		—	10,040	10,040	—
Net cash flows (used in)/from financing activities		(14,072)	370,720	155,767	(28,107)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		283,875	(163,915)	(39,805)	305,827
Cash and cash equivalents at beginning of year/period		370,628	661,436	661,436	503,209
Effect of foreign exchange rate changes, net		6,933	5,688	(3,029)	(2,829)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	27	661,436	503,209	618,602	806,207
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	27	743,987	1,173,804	1,098,418	1,389,348
Less: Time deposits	27	(43,629)	(634,591)	(456,156)	(558,041)
Pledged deposits	27	(38,922)	(36,004)	(23,660)	(25,100)
Cash and cash equivalents as stated in the statement of cash flows	27	661,436	503,209	618,602	806,207

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2023 RMB'000	2024 RMB'000	As at 30 September 2025 RMB'000 (unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	14	4,294	3,951	4,008
Right-of-use assets	16(a)	54,434	45,103	38,104
Intangible assets	18	13,491	11,535	10,161
Investments in subsidiaries	20	2,184,996	2,498,231	2,763,456
Investments in associates	19	1,580,241	1,792,812	2,118,993
Equity investments designated at fair value through other comprehensive income	21	74,536	44,492	30,776
Financial assets at fair value through profit or loss	22	109,572	128,634	128,634
Deferred tax assets	23	20,555	20,821	25,630
Total non-current assets		4,042,119	4,545,579	5,119,762
CURRENT ASSETS				
Inventories	24	1,987	354	606
Trade and bills receivables	25	125,449	146,657	158,608
Due from related companies		73,206	91,423	87,561
Due from subsidiaries		436,245	489,469	240,458
Prepayments, other receivables and other assets	26	6,115	7,259	7,015
Tax recoverable		24,217	—	—
Cash and cash equivalents	27	109,504	89,376	30,330
Total current assets		776,723	824,538	524,578
CURRENT LIABILITIES				
Trade and bills payables	28	13,567	21,135	10,043
Contract liabilities		923	40	—
Other payables and accruals	30	128,402	76,747	50,465
Due to subsidiaries		408,709	462,061	374,318
Interest-bearing bank and other borrowings	31	508,994	1,043,659	851,983
Lease liabilities	16(b)	8,244	9,616	9,721
Tax payable		—	361	361
Total current liabilities		1,068,839	1,613,619	1,296,891
NET CURRENT LIABILITIES		(292,116)	(789,081)	(772,313)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,750,003	3,756,498	4,347,449
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	31	1,017,608	1,116,179	1,552,143
Lease liabilities	16(b)	50,140	39,509	33,246
Deferred income		—	617	650
Total non-current liabilities		1,067,748	1,156,305	1,586,039
Net assets		2,682,255	2,600,193	2,761,410
EQUITY				
Share capital	34	599,831	599,081	598,955
Treasury shares	35	(100,008)	(131,521)	(105,312)
Other equity instruments	32	55,362	55,344	55,338
Reserves	36	2,127,070	2,077,289	2,212,429
Total equity		2,682,255	2,600,193	2,761,410

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION AND THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability incorporated in the People's Republic of China ("PRC"). The Company's ordinary shares are listing on the Shanghai Stock Exchange. The registered office of the Company is located at Room 2501, 25/F, Shanghai Tower, No. 501 Yincheng Middle Road, Pudong New District, Shanghai, China.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were involved in the research and development, production and sale of rubber additives for tyres and other chemical products, electronic materials including semiconductor photoresist, display panel photoresist and fully biodegradable materials.

As at 30 September 2025, the Company had direct and indirect interests in its subsidiaries, all of which are private limited companies. The particulars of the Company's principal subsidiaries are set out below:

Name	*Notes*	Place and date of registration and place of operations	Nominal value of issued ordinary/ registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
			('000)	*%*	*%*	
華奇(中國)化工有限公司 (Sino Legend (China) Chemical Co., Ltd. ("Sino Legend"))	(1)	PRC/Chinese Mainland/ 11 August 2006	RMB460,565	100	—	Manufacture, research and development, sales of rubber additives for tyres and other chemical products
彤程化學(中國)有限公司 (RACHEM (CHINA) CO., LTD. ("RACHEM"))	(2), (3)	PRC/Chinese Mainland/ 1 June 2011	RMB806,315	100	—	Manufacture, research and development, sales of rubber additives for tyres and other chemical products, fully biodegradable materials
北京科華微電子材料有限公司 (Kempur Microelectronic, Inc. ("Kempur"))	(4)	PRC/Chinese Mainland/ 13 August 2004	RMB48,614	—	96	Manufacture, research and development, sales of semiconductor photoresist
北京北旭電子材料有限公司 (Beijing Asahi Electronic Materials Co., Ltd. ("BAE (Beijing)"))	(4)	PRC/Chinese Mainland/ 16 November 1993	RMB65,299	—	81	Research and development, sales of display panel photoresist
北旭(湖北)電子材料有限公司 (Beijing Asahi (Hubei) Electronic Materials Co., Ltd. ("BAE (Hubei)"))	(5)	PRC/Chinese Mainland/ 21 May 2020	RMB100,000	—	81	Manufacture, research and development, sales of display panel photoresist
彤程電子材料(鎮江)有限公司 (Red Avenue Electronics Material (Zhenjiang) Co., Ltd. ("RA Zhenjiang"))	(2), (3)	PRC/Chinese Mainland/ 24 August 2012	USD57,400	—	100	Manufacture, research and development, sales of electronic materials
上海彤程電子材料有限公司 (Shanghai Red Avenue Electronic Materials Co., Ltd. ("RA Electronic"))	(2), (3)	PRC/Chinese Mainland/ 11 June 2020	RMB1,000,000	100	—	Manufacture, research and development, sales of electronic materials

The English names of all Group companies registered in the Chinese mainland represent the best efforts made by the management of the Company to translate the names of these companies as they do not have official English names.

Notes:

(1) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Shanghai Yuanzhi Certified Public Accountants Firm (General Partnership) (上海元智會計師事務所(普通合夥)), which is a certified public accounting firm registered in the Chinese mainland.

(2) The statutory financial statements of these entities for the year ended 31 December 2023 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Shanghai Yuanzhi Certified Public Accountants Firm (General Partnership) (上海元智會計師事務所(普通合夥)), which is a certified public accounting firm registered in the Chinese mainland.

(3) The statutory financial statements of these entities for the year ended 31 December 2024 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Shanghai Jingdian Certified Public Accountants Firm (General Partnership) (上海經典會計師事務所(普通合夥)), which is a certified public accounting firm registered in the Chinese mainland.

(4) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Zhongxing Cai Guanghua Certified Public Accountants Firm LLP (中興財光華會計師事務所(特殊普通合夥)), which is a certified public accounting firm registered in the Chinese mainland.

(5) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 prepared in accordance with China Accounting Standards for Business Enterprises have been audited by Beijing Dong Shen Certified Public Accountants Firm LLP (北京東審會計師事務所(特殊普通合夥)), which is a certified public accounting firm registered in the Chinese mainland.

2.1 BASIS OF PREPARATION

The Historical Financial Information and the unaudited Interim Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information and the unaudited Interim Financial Information throughout the Relevant Periods and in the period covered by the Interim Financial Information.

The Historical Financial Information and the unaudited Interim Financial Information have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and bills receivables measured at fair value through other comprehensive income, which have been measured at fair value.

Basis of consolidation

The Historical Financial Information and the unaudited Interim Financial Information include the financial information of the Group for the Relevant Periods and in the period covered by the Interim Financial Information.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The 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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information and the unaudited Interim Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual/reporting periods beginning on or after 1 January 2027

[3] No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The

application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of profit or loss and statement of cash flows and additional disclosure will be included in the financial statements.

Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Such changes may arise from the associate's issuance of share capital to third parties, the associate's transactions with non-controlling interest shareholders of its subsidiaries, and movements in the share-based payment reserves of the associate etc. In the case where the Group's percentage of share holdings in an associate decreases due to the associate's issuance of new capital to third parties, but the Group still maintains significant influence, the Group's share of the associate's increased equity is recognized in capital reserves and will be transferred to profit and loss when the investments are disposed.

Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, bills receivables measured at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is recognised in the period in which it arises and is charged to other expenses in the statement of profit or loss.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group 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 employees of either the Group or an entity related to the 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 the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment ("PPE"), other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.0% to 6.3%
Machinery	4.5% to 19.0%
Electronic devices	18.0% to 31.7%
Vehicles	18.0% to 23.8%
Office equipment and other equipment	18.0% to 31.7%
Others	20.0% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of investment properties, and adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings use rights.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from the sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognised in profit or loss for the current period. The estimated useful life of the Group's investment properties is 20 years.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Categories	**Estimated useful lives**
Software	3 to 10 years
Technology licence fee	5 to 10 years
Technical know-how	10 years
Production licence	10 years
Patent	10 to 20 years

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	45 to 50 years
Buildings	6 to 10 years
Machine and equipment	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those 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 leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost including trade and bills receivables, due from related companies and financial assets included in prepayments, other receivables and other assets, are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Equity investments designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation and are not held for trading*. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss including listed equity investments, unlisted funds and unlisted equity investments, which are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets included in prepayments, other receivables and other assets are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group include trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings, which are classified, at initial recognition, as loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and bills payables, financial liabilities included in other payables and accruals and interest bearing and other bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Treasury shares and share repurchase

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

The payment and transaction costs incurred on the repurchase of the Group's own equity instruments are accounted for as a deduction from equity. Other than share-based payments, the issuance (including refinancing), repurchase, sale or cancellation of the Group's own equity instruments shall be accounted for as equity transactions.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks as defined above.

Special reserve — safety production fund

According to relevant regulations of Chinese mainland, transfer of safety fund at fixed rates based on relevant bases to a specific reserve account is required. The safety fund could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of safety fund utilised would be transferred from the specific reserve account to retained earnings.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of products

The Group sells rubber additives for tyres and other chemical products, electronic materials including semiconductor photoresist, display panel photoresist and fully biodegradable materials to customers. Revenue from the sale of products is recognised at the point in time when control of the products is transferred to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Share-based payments

The Company operates two share award schemes during the Relevant Periods and the nine months ended 30 September 2025 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer based on a recent transaction price with other investors, further details of which are given in note 37 to the Historical Financial Information and the unaudited Interim Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also considered employee benefits.

Pension scheme

The employees of the Company and the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the Chinese mainland. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the reporting period.

Termination benefits

The Group provides termination benefits to employees and recognises an employee benefit liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Group recognises costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information and the unaudited Interim Financial Information are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using

that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of an overseas subsidiary is currency other than the RMB. As at the end of each of the reporting period, the assets and liabilities of this subsidiary are translated into RMB at the exchange rate prevailing at the end of each of the reporting period and its statement of profit or loss is translated into RMB at the exchange rate that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiary is translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the year/period are translated into RMB at the weighted average exchange rates for the year/period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in financial statements:

Business model

The classification of a financial asset at initial recognition depends on the Group's business model for managing the financial asset. In assessing the business model, the Group considers factors including how the performance of the financial asset is evaluated and reported to key management personnel, the risks that affect the performance of the financial asset and how they are managed, and how the relevant business managers are remunerated. In assessing whether the objective is to collect contractual cash flows, the Group is required to analyse and evaluate the reasons, timing, frequency, and value of any sales of the financial asset before its maturity.

Contractual cash flow characteristics

The classification of a financial asset at initial recognition also depends on the contractual cash flow characteristics of the financial asset. In determining whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, an assessment is made as to whether any modification to the time value of money results in contractual cash flows that are significantly different from the benchmark cash flows.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in note 23 to the Historical Financial Information and the unaudited Interim Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables are disclosed in note 25 and note 26 to the Historical Financial Information and the unaudited Interim Financial Information, respectively.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are set out in note 17 to the Historical Financial Information and the unaudited Interim Financial Information.

Fair value of equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss

The equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss have been valued based on a market-based valuation technique as set out in note 46 to the Historical Financial Information and the unaudited Interim Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 2 or Level 3. Further details are set out in note 21 and note 22 to the Historical Financial Information and the unaudited Interim Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has three reportable operating segments as follows:

a) Rubber additives for tyres and other chemical products segment: engaging in research and development, manufacture and sale of rubber additives for tyres and other chemical products;

b) Electronic materials segment: engaging in research and development, manufacture and sale of electronic materials including semiconductor photoresist, display panel photoresist and other electronic materials;

c) Fully biodegradable materials segment: engaging in research and development, manufacture and sale of fully biodegradable materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2023	**Rubber additives for tyres and other chemical products** *RMB'000*	**Electronic materials** *RMB'000*	**Fully biodegradable materials** *RMB'000*	**Total** *RMB'000*
Segment revenue *(note 5)*				
Sales to external customers	2,275,508	561,490	100,336	2,937,334
Intersegment sales	25,783	12,897	—	38,680
Total segment revenue	2,301,291	574,387	100,336	2,976,014
Elimination of intersegment sales				(38,680)
Total revenue				2,937,334
Segment results				
Profit/(loss) before tax	495,447	(16,104)	(52,358)	426,985
Other segment information				
Share of profits of associates *(note 6)*	226,587	—	—	226,587
Impairment losses on inventories *(note 6)*	1,901	1,009	2,789	5,699
Depreciation and amortisation *(note 6)*	91,026	46,483	12,987	150,496
As at 31 December 2023				
Segment assets	4,474,686	2,143,353	715,866	7,333,905
Segment liabilities	2,567,040	1,233,990	27,979	3,829,009
Other segment information				
Goodwill *(note 17)*	—	437,441	—	437,441
Investments in associates *(note 19)*	1,580,241	—	—	1,580,241

Year ended 31 December 2024	**Rubber additives for tyres and other chemical products** *RMB'000*	**Electronic materials** *RMB'000*	**Fully biodegradable materials** *RMB'000*	**Total** *RMB'000*
Segment revenue *(note 5)*				
Sales to external customers	2,437,747	744,853	80,780	3,263,380
Intersegment sales	27,844	28,794	—	56,638
Total segment revenue	2,465,591	773,647	80,780	3,320,018
Reconciliation:				
Elimination of intersegment sales				(56,638)
Total revenue				3,263,380

Year ended 31 December 2024	Rubber additives for tyres and other chemical products *RMB'000*	Electronic materials *RMB'000*	Fully biodegradable materials *RMB'000*	Total *RMB'000*
Segment results				
Profit/(loss) before tax	703,110	20,525	(173,469)	550,166
Other segment information				
Share of profits of associates *(note 6)*	314,392	—	—	314,392
Impairment losses on property, plant and equipment *(note 6)*	—	—	94,792	94,792
Impairment losses on inventories *(note 6)*	—	478	9,062	9,540
Depreciation and amortisation *(note 6)*	54,837	61,934	49,862	166,633
As at 31 December 2024				
Segment assets	4,782,334	3,030,378	596,415	8,409,127
Segment liabilities	3,382,087	1,543,530	24,180	4,949,797
Other segment information				
Goodwill *(note 17)*	—	437,441	—	437,441
Investments in associates *(note 19)*	2,131,238	—	—	2,131,238

Nine months ended 30 September 2024	Rubber additives for tyres and other chemical products *RMB'000* (unaudited)	Electronic materials *RMB'000* (unaudited)	Fully biodegradable materials *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Segment revenue *(note 5)*				
Sales to external customers	1,840,211	540,915	38,515	2,419,641
Intersegment sales	11,885	22,348	—	34,233
Total segment revenue	1,852,096	563,263	38,515	2,453,874
Reconciliation:				
Elimination of intersegment sales				(34,233)
Total revenue				2,419,641
Segment results				
Profit/(loss) before tax	615,039	20,322	(153,996)	481,365
Other segment information				
Share of profits of associates *(note 6)*	286,818	—	—	286,818
Impairment losses on property, plant and equipment *(note 6)*	—	—	94,792	94,792
Depreciation and amortisation *(note 6)*	46,035	55,380	26,009	127,424

Nine months ended 30 September 2025	Rubber additives for tyres and other chemical products *RMB'000* (unaudited)	Electronic materials *RMB'000* (unaudited)	Fully biodegradable materials *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Segment revenue *(note 5)*				
Sales to external customers	1,753,146	700,396	63,929	2,517,471
Intersegment sales	29,069	16,100	—	45,169
Total segment revenue	1,782,215	716,496	63,929	2,562,640
Reconciliation:				
Elimination of intersegment sales				(45,169)
Total revenue				2,517,471
Segment results				
Profit/(loss) before tax	531,420	50,017	(44,139)	537,298
Other segment information				
Share of profits of associates *(note 6)*	329,634	—	—	329,634
Depreciation and amortisation *(note 6)*	66,809	60,970	22,879	150,658
As at 30 Setember 2025				
Segment assets	5,891,517	2,691,170	613,694	9,196,381
Segment liabilities	3,942,238	1,439,538	45,687	5,427,463
Other segment information				
Goodwill *(note 17)*	—	437,441	—	437,441
Investments in associates *(note 19)*	2,487,833	—	—	2,487,833

Geographical information

(a) Revenue from external customers

	Year ended 31 December		Nine months ended 30 September	
	2023 *RMB'000*	2024 *RMB'000*	2024 *RMB'000* (unaudited)	2025 *RMB'000* (unaudited)
Chinese mainland	2,388,611	2,644,288	1,966,045	2,045,163
Overseas	548,723	619,092	453,596	472,308
Total	2,937,334	3,263,380	2,419,641	2,517,471

The revenue information above is based on the locations of the customers.

(b) Non-current assets

The Group's non-current assets exclude deferred tax assets, goodwill, investment in associates, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit and loss. Since almost all of the Group's non-current assets were located in Chinese mainland as at the end of each of the Relevant Periods and 30 September 2025, no geographical information in accordance with IFRS 8 Operating Segments is presented.

Information about major customers

For the years ended 31 December 2023 and 2024 and nine months ended 30 September 2024 and 2025, revenue of approximately RMB333,107,000, RMB382,584,000, RMB281,576,000 (unaudited) and RMB268,742,000 (unaudited) was derived from sales by the Rubber additives for tyres and other chemical products segment to a single customer, including sales to a group of entities which are known to be under common control with that customer, and only the revenue from such sales accounted for more than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Revenue from contracts with customers	2,937,334	3,263,380	2,419,641	2,517,471

(a) Disaggregated revenue information

For the year ended 31 December 2023

Segments	Rubber additives for tyres and other chemical products *RMB'000*	Electronic materials *RMB'000*	Fully biodegradable materials *RMB'000*	Total *RMB'000*
Types of goods or services	2,275,508	561,490	100,336	2,937,334
Geographical markets				
Chinese mainland	1,739,841	561,490	87,280	2,388,611
Overseas	535,667	—	13,056	548,723
Total	2,275,508	561,490	100,336	2,937,334
Timing of revenue recognition				
Transferred at a point in time	2,275,508	561,490	100,336	2,937,334

For the year ended 31 December 2024

Segments	Rubber additives for tyres and other chemical products *RMB'000*	Electronic materials *RMB'000*	Fully biodegradable materials *RMB'000*	Total *RMB'000*
Types of goods or services	2,437,747	744,853	80,780	3,263,380
Geographical markets				
Chinese mainland	1,843,283	744,853	56,152	2,644,288
Overseas	594,464	—	24,628	619,092
Total	2,437,747	744,853	80,780	3,263,380
Timing of revenue recognition				
Transferred at a point in time	2,437,747	744,853	80,780	3,263,380

For the nine months ended 30 September 2024 (unaudited)

Segments	Rubber additives for tyres and other chemical products *RMB'000*	Electronic materials *RMB'000*	Fully biodegradable materials *RMB'000*	Total *RMB'000*
Types of goods or services	1,840,211	540,915	38,515	2,419,641
Geographical markets				
Chinese mainland	1,406,810	540,915	18,320	1,966,045
Overseas	433,401	—	20,195	453,596
Total	1,840,211	540,915	38,515	2,419,641
Timing of revenue recognition				
Transferred at a point in time	1,840,211	540,915	38,515	2,419,641

For the nine months ended 30 September 2025 (unaudited)

Segments	Rubber additives for tyres and other chemical products *RMB'000*	Electronic materials *RMB'000*	Fully biodegradable materials *RMB'000*	Total *RMB'000*
Types of goods or services	1,753,146	700,396	63,929	2,517,471
Geographical markets				
Chinese mainland	1,285,857	700,396	58,910	2,045,163
Overseas	467,289	—	5,019	472,308
Total	1,753,146	700,396	63,929	2,517,471
Timing of revenue recognition				
Transferred at a point in time	1,753,146	700,396	63,929	2,517,471

The following table shows the amounts of revenue recognised in the Relevant Periods and the period covered by the Interim Financial Information that were included in the contract liabilities at the beginning of the each of the Relevant Periods and the period covered by the Interim Financial Information:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	4,541	3,405	3,405	3,368

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The Group mainly manufactures and sells rubber additives for tyres and other chemical products, electronic materials and fully biodegradable materials to its customers. Sales revenue is recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. The performance obligation is satisfied upon customer acceptance of the goods or export declaration is completed and payment is generally due within 30 to 180 days from invoice date, except for new customers, where payment in advance is normally required.

All the amounts of transaction prices allocated to the performance obligations are expected to be recognised as revenue within one year. The Group elected to apply the practical expedient not to disclose the remaining performance obligations.

An analysis of other income and gains, is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Other income				
Government grants*	26,911	23,520	9,940	26,269
Bank interest income	20,775	27,014	18,089	27,812
Dividend income	4,925	1,860	1,860	450
Rental income	188	812	585	585
Additional deduction for value-added tax**	—	12,824	9,897	9,761
Others	1,296	986	839	408
Total other income	54,095	67,016	41,210	65,285
Other gains				
Gains on disposal of investments in an associate	—	—	—	14,406
Gains on disposal of items of property, plant and equipment	—	—	123	—

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Bargain purchase gain arising from investment in an associate	—	96,750	94,617	—
Exchange gains, net	7,794	4,287	—	—
Gains on disposal of debt instruments at fair value through other comprehensive income	615	—	—	—
Total other gains	8,409	101,037	94,740	14,406
Total other income and gains	62,504	168,053	135,950	79,691

* Government grants related to income that is received as compensation for expenses already incurred or for the purpose of financial support to the Group with no future related costs recognised in profit or loss. There are no unfulfilled conditions or contingencies relating to these grants. The Group has received certain government grants related to purchases of items of property, plant and equipment and the grants were recognised as income in profit or loss over the useful lives of the relevant assets.

** According to the regulations of the Ministry of Finance and the State Administration of Taxation of Chinese mainland, certain subsidiaries within the Group entitled a deduction on value added tax paid as calculated on the basis of 5% of the input value-added tax ("VAT") claimed by those subsidiaries since 1 January 2024. The amount of this deduction was recognised in the profit or loss.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Cost of sales of goods and services*		2,252,274	2,467,523	1,804,545	1,883,148
Depreciation of property, plant and equipment		115,147	129,128	101,735	117,237
Depreciation of investment properties	15	948	948	711	711
Depreciation of right-of-use assets	16(a)	16,702	15,980	11,568	12,206
Amortisation of intangible assets	18	17,699	20,577	13,410	20,504
Research and development costs*		179,780	216,572	147,938	177,392
Expense relating to short-term leases and leases of low-value assets	16(c)	6,471	8,084	6,391	4,991

	Notes	Year ended 31 December 2023 RMB'000	2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Employee benefit expense (including directors' and chief executive's remuneration *(note 9)*):					
Wages and salaries		289,983	321,148	247,088	243,417
Equity settled share-based expenses	37	4,364	43,100	33,089	14,826
Pension scheme contributions and social welfare		28,172	33,314	24,986	27,704
Share of profits of associates		(226,587)	(314,392)	(286,818)	(329,634)
Fair value (gains)/losses on financial assets at fair value through profit or loss		(12,058)	(1,836)	5,879	—
Impairment losses/(reversal of impairment loss) on financial assets, net		4,281	806	1,027	(447)
Foreign exchange differences, net	5, 7	(7,794)	(4,287)	13,680	7,679
Impairment losses on inventories, net	24	5,699	9,540	—	—
Impairment losses on property, plant and equipment	7, 14	—	94,792	94,792	—
Losses on disposal of items of property, plant and equipment, net	7	7,362	804	240	809
Losses on disposal of a subsidiary	7, 38	7,216	—	—	—

* Cost of sales of goods and research and development costs include expenses relating to employee benefit, depreciation and amortisation expenses and impairment losses on inventories, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended 31 December 2023 RMB'000	2024 RMB'000	Nine months ended 30 September 2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Exchange losses, net	—	—	13,680	7,679
Donations	—	11,063	55	6,085
Losses on disposal of items of property, plant and equipment	7,362	804	363	809
Impairment losses on property, plant and equipment *(note 14)*	—	94,792	94,792	—
Losses on disposal of a subsidiary *(note 38)*	7,216	—	—	—
Others	400	1,991	665	457
Total	14,978	108,650	109,555	15,030

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Interest on interest-bearing bank and other borrowings	99,024	104,913	73,718	81,569
Interest on lease liabilities	943	2,475	1,834	2,872
	99,967	107,388	75,552	84,441
Less: Interest capitalised	(15,882)	(10,065)	(7,421)	(4,227)
Total	84,085	97,323	68,131	80,214

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to directors and chief executive of the Company (including emoluments for services as employees of the group entities prior to becoming the directors of the Company) during the Relevant Periods and in the period covered by the Interim Financial Information were as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Fees	360	360	270	270
Other emoluments:				
Salaries, allowances and benefits in kind	9,134	9,344	7,008	6,591
Performance related bonuses*	700	602	453	453
Share-based payments	728	3,213	2,410	1,305
Pension scheme contributions and social welfare	715	689	518	436
Subtotal	11,277	13,848	10,389	8,785
Total	11,637	14,208	10,659	9,055

* Certain executive directors and chief executive of the Company are entitled to bonus payments which are determined by key performance indicators.

During the Relevant Periods and in the period covered by the unaudited Interim Financial Information, certain directors were granted restricted shares (as defined in note 37), in the Company in respect of their services to the Group, under the employee incentive scheme of the Company, further details are set out in note 37 to the Historical Financial Information and the unaudited Interim Financial Information. The difference between the fair value of the Company's shares granted and the subscription price was recognised in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amounts during the Relevant Periods and in the period covered by the Interim Financial Information are included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and in the period covered by the Interim Financial Information. were as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Mr. Zhang Yun	120	120	90	90
Mr.Wu ShengWu	120	120	90	90
Mr. Feng Yaoling	120	120	90	90
Total	360	360	270	270

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and in the period covered by the Interim Financial Information.

(b) Executive directors

The remuneration of each of the directors of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors of the Company) for the Relevant Periods and in the period covered by the Interim Financial Information is set out as follows:

Year ended 31 December 2023

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Share-based payments *RMB'000*	Pension scheme contributions and social welfare *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Ms. Zhang Ning	784	—	—	143	927
Mr. Zhou Jianhui *(i)*	848	—	—	143	991
Mr. Ding Lin *(ii)*	5,002	—	313	143	5,458
Mr. Yuan Minjian	1,199	300	110	143	1,752
Mr. Yu Yaoming	1,301	400	305	143	2,149
Mr. Li Xiaoguang *(iii)*	—	—	—	—	—
Total	9,134	700	728	715	11,277

Year ended 31 December 2024

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Share-based payments *RMB'000*	Pension scheme contributions and social welfare *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Ms. Zhang Ning	905	—	—	145	1,050
Mr. Zhou Jianhui *(i)*	845	—	—	109	954
Mr. Ding Lin *(ii)*	5,001	302	868	145	6,316
Mr. Yuan Minjian	1,293	50	1,303	145	2,791
Mr. Yu Yaoming	1,300	250	1,042	145	2,737
Mr. Li Xiaoguang *(iii)*	—	—	—	—	—
Total	9,344	602	3,213	689	13,848

Nine months ended 30 September 2024 (unaudited)

	Salaries, allowances and benefits in kind *RMB'000* (unaudited)	**Performance related bonuses** *RMB'000* (unaudited)	**Share-based payments** *RMB'000* (unaudited)	**Pension scheme contributions and social welfare** *RMB'000* (unaudited)	**Total remuneration** *RMB'000* (unaudited)
Executive directors:					
Ms. Zhang Ning	679	—	—	109	788
Mr. Zhou Jianhui *(i)*	634	—	—	82	716
Mr. Ding Lin *(ii)*	3,751	227	651	109	4,738
Mr. Yuan Minjian	969	38	977	109	2,093
Mr. Yu Yaoming	975	188	782	109	2,054
Mr. Li Xiaoguang *(iii)*	—	—	—	—	—
Total	7,008	453	2,410	518	10,389

Nine months ended 30 September 2025 (unaudited)

	Salaries, allowances and benefits in kind *RMB'000* (unaudited)	**Performance related bonuses** *RMB'000* (unaudited)	**Share-based payments** *RMB'000* (unaudited)	**Pension scheme contributions and social welfare** *RMB'000* (unaudited)	**Total remuneration** *RMB'000* (unaudited)
Executive directors:					
Ms. Zhang Ning	1,095	—	—	109	1,204
Mr. Zhou Jianhui *(i)*	588	—	—	—	588
Mr. Ding Lin *(ii)*	3,329	227	353	109	4,018
Mr. Yuan Minjian	865	38	529	109	1,541
Mr. Yu Yaoming	714	188	423	109	1,434
Mr. Li Xiaoguang *(iii)*	—	—	—	—	—
Total	6,591	453	1,305	436	8,785

(i) Mr. Zhou Jianhui was appointed as an executive director of the Company with effect from 10 November 2022 and resigned from 15 October 2025.

(ii) Mr. Ding Lin serves as the chief executive of the Company.

(iii) Mr. Li Xiaoguang has agreed to waived his remuneration during the Relevant Periods and in the period covered by the unaudited Interim Financial Information.

Except as disclosed, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and in the period covered by the unaudited Interim Financial Information.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and the nine months ended 30 September 2024 and 2025 included 2, 3, 3 (unaudited) and 3 (unaudited) directors of the Company, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Salaries, allowances and benefits in kind	4,463	3,011	2,588	2,102
Performance related bonuses	967	250	186	186
Share-based payments	(104)	1,736	420	706
Pension scheme contributions and social welfare	429	290	218	218
Total	5,755	5,287	3,412	3,212

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
HKD1,000,001 to HKD2,000,000	2	—	2	2
HKD2,000,001 to HKD3,000,000	1	2	—	—
Total	3	2	2	2

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and/or operate.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the Chinese mainland and the respective regulations, the subsidiaries operating in Chinese mainland are subject to the statutory tax rate of 25% on the taxable income, except for those which are subject to tax concessions as set out below:

— Certain subsidiaries have been qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%.

— Certain subsidiaries with annual taxable income less than RMB1,000,000 were qualified as small scale and minimal profit enterprise. The taxable income was calculated at 25% of the actual annual taxable income derived by these subsidiaries, and based on this reduced taxable income, the subsidiaries were subject to a corporate income tax rate of 20% for the period from 1 January 2023 and expiring on 31 December 2027.

— Certain subsidiaries which qualified the criteria as small scale and minimal-profit enterprise, the portion of their incomes with more than RMB1,000,000 but less than RMB3,000,000 was calculated at 25% of the actual annual taxable income derived by these subsidiaries, and based on this reduced taxable income, the subsidiaries were entitled to subject to a corporate income tax rate of 20% for the period from year 2022 to 2024. For actually annual taxable income in excess of RMB3,000,000 derived by these subsidiaries, this amount was subject to a corporate income tax of 25%.

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

Other overseas areas

The Company's other overseas subsidiaries are subject to income tax at rates ranging from 12% to 17%.

The income tax expense of the Group for the Relevant Periods and in the period covered by the Interim Financial Information are analysed as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current income tax	31,471	36,021	30,206	23,439
Deferred income tax	(8,604)	(20,040)	(16,168)	(7,745)
Total	22,867	15,981	14,038	15,694

A reconciliation of the tax expense applicable to profit before tax at the applicable rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Profit before tax	426,985	550,166	481,365	537,298
Tax at statutory tax rate of 25%	106,746	137,542	120,341	134,325
Effect of different tax rates	(26,015)	(33,175)	(21,242)	(31,071)
Adjustments in respect of current tax of previous periods	(11,805)	(4,533)	(4,533)	(5,698)
Expenses not deductible for tax	1,862	5,739	4,413	4,413
Utilisation of tax losses not recognised from previous periods	(2,724)	(6,727)	(4,635)	(6,135)
Tax losses and temporary differences not recognised	11,742	12,873	8,836	1,364
Tax effect of share of profits of associates	(56,647)	(74,586)	(68,342)	(78,638)
Tax effect of bargain purchase gain arising from investment in an associate	—	(15,964)	(15,612)	—
Others	(292)	(5,188)	(5,188)	(2,866)
Tax charge at the Group's effective rate	22,867	15,981	14,038	15,694

12. DIVIDENDS

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Dividends attributable to the year/ period:				
Interim dividend *(note (1))*	—	149,019	—	—
Final dividend *((note (2), (note (3) and note (4))*	47,525	352,401	352,401	297,998
Total	47,525	501,420	352,401	297,998

Notes:

(1) On 15 October 2024, the Company declared a cash dividend for the first half of 2024, amounting to RMB2.5 (inclusive of tax) for every 10 ordinary shares to the shareholders based on the total number of shares of 596,076,729 (exclusive of 3,001,917 treasury shares held by the Company) as at 15 October 2024.

(2) On 2 June 2023, the Company declared a cash dividend for year 2022, amounting to RMB0.8 (inclusive of tax) for every 10 ordinary shares to the shareholders based on the total number of shares of 596,123,880 as at 2 June 2023.

(3) On 4 June 2024, the Company declared a cash dividend for year 2023, amounting to RMB5.9 (inclusive of tax) for every 10 ordinary shares to the shareholders based on the total number of shares of 597,290,322 as at 4 June 2024.

(4) On 30 May 2025, the Company declared a cash dividend for year 2024, amounting to RMB5.0 (inclusive of tax) for every 10 ordinary shares to the shareholders based on the total number of shares of 595,970,013 (exclusive of 3,001,917 treasury shares held by the Company) as at 30 May 2025.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of share capital outstanding during the Relevant Periods and in the period covered by the Interim Financial Information.

The calculation of the diluted earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year/period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at adjusted consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Earnings				
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	406,598	516,772	453,320	511,257

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Shares				
Weighted average number of ordinary shares outstanding during the year/period, used in the basic earnings per share calculation ('000)	596,555	597,482	597,749	596,002
Earnings per share				
Basic (RMB)	0.68	0.86	0.76	0.86
Diluted (RMB)	0.68	0.86	0.76	0.86

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods and in the period covered by the Interim Financial Information in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023

	Buildings	Electronic devices	Machinery	Vehicles	Office equipment and other equipment	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023								
Cost	522,149	46,151	928,081	21,765	21,838	1,077,581	22,944	2,640,509
Accumulated depreciation	(142,913)	(33,845)	(422,694)	(17,885)	(16,003)	—	(6,282)	(639,622)
Net carrying amount	379,236	12,306	505,387	3,880	5,835	1,077,581	16,662	2,000,887
At 1 January 2023, net of accumulated depreciation	379,236	12,306	505,387	3,880	5,835	1,077,581	16,662	2,000,887
Additions	—	250	7,293	561	1,065	227,858	4,425	241,452
Disposals	—	(105)	(4,043)	(159)	(399)	(7,008)	—	(11,714)
Disposal of a subsidiary	(9,688)	(429)	(2,239)	(33)	(53)	—	—	(12,442)
Transfer	170,755	1,454	530,067	1,135	1,287	(704,698)	—	—
Transfer to intangible assets *(note 18)*	—	—	—	—	—	(13,525)	—	(13,525)
Depreciation provided during the year	(24,579)	(4,382)	(82,983)	(1,554)	(1,811)	—	(3,310)	(118,619)
At 31 December 2023, net of accumulated depreciation	515,724	9,094	953,482	3,830	5,924	580,208	17,777	2,086,039

	Buildings *RMB'000*	Electronic devices *RMB'000*	Machinery *RMB'000*	Vehicles *RMB'000*	Office equipment and other equipment *RMB'000*	Construction in progress *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at 31 December 2023								
Cost	675,146	45,954	1,442,131	19,985	22,655	580,208	27,369	2,813,448
Accumulated depreciation	(159,422)	(36,860)	(488,649)	(16,155)	(16,731)	—	(9,592)	(727,409)
Net carrying amount	515,724	9,094	953,482	3,830	5,924	580,208	17,777	2,086,039

31 December 2024

	Buildings *RMB'000*	Electronic devices *RMB'000*	Machinery *RMB'000*	Vehicles *RMB'000*	Office equipment and other equipment *RMB'000*	Construction in progress *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at 1 January 2024								
Cost	675,146	45,954	1,442,131	19,985	22,655	580,208	27,369	2,813,448
Accumulated depreciation	(159,422)	(36,860)	(488,649)	(16,155)	(16,731)	—	(9,592)	(727,409)
Net carrying amount	515,724	9,094	953,482	3,830	5,924	580,208	17,777	2,086,039
At 1 January 2024, net of accumulated depreciation	515,724	9,094	953,482	3,830	5,924	580,208	17,777	2,086,039
Additions	—	1,252	12,813	5,730	978	224,561	4,730	250,064
Disposals	(1,225)	(3)	(163)	(434)	(13)	—	—	(1,838)
Transfer	59,825	419	191,818	—	867	(257,690)	4,761	—
Transfer to intangible assets *(note 18)*	—	—	—	—	—	(113)	—	(113)
Depreciation provided during the year	(27,117)	(3,173)	(94,970)	(1,414)	(1,973)	—	(5,509)	(134,156)
Impairment *(note 6)*	(6,277)	—	(88,429)	—	(86)	—	—	(94,792)
At 31 December 2024, net of accumulated depreciation and impairment	540,930	7,589	974,551	7,712	5,697	546,966	21,759	2,105,204
As at 31 December 2024								
Cost	732,405	47,584	1,640,360	24,716	24,433	546,966	35,380	3,051,844
Accumulated depreciation	(185,198)	(39,995)	(577,380)	(17,004)	(18,650)	—	(13,621)	(851,848)
Impairment	(6,277)	—	(88,429)	—	(86)	—	—	(94,792)
Net carrying amount	540,930	7,589	974,551	7,712	5,697	546,966	21,759	2,105,204

30 September 2025 (unaudited)

	Buildings *RMB'000* (unaudited)	Electronic devices *RMB'000* (unaudited)	Machinery *RMB'000* (unaudited)	Vehicles *RMB'000* (unaudited)	Office equipment and other equipment *RMB'000* (unaudited)	Construction in progress *RMB'000* (unaudited)	Others *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
As at 1 January 2025								
Cost	732,405	47,584	1,640,360	24,716	24,433	546,966	35,380	3,051,844
Accumulated depreciation	(185,198)	(39,995)	(577,380)	(17,004)	(18,650)	—	(13,621)	(851,848)
Impairment	(6,277)	—	(88,429)	—	(86)	—	—	(94,792)
Net carrying amount	540,930	7,589	974,551	7,712	5,697	546,966	21,759	2,105,204
At 1 January 2025, net of accumulated depreciation and impairment	540,930	7,589	974,551	7,712	5,697	546,966	21,759	2,105,204
Additions	268	4,823	6,617	1,157	2,345	148,474	6,781	170,465
Disposals	(85)	(10)	(362)	(135)	(1,688)	—	—	(2,280)
Transfer	22,311	1,588	348,228	705	1,020	(373,852)	—	—
Depreciation provided during the period	(21,244)	(5,123)	(76,593)	(1,677)	(3,921)	—	(6,348)	(114,906)
At 30 September 2025, net of accumulated depreciation and impairment	542,180	8,867	1,252,441	7,762	3,453	321,588	22,192	2,158,483
At 30 September 2025								
Cost	754,814	53,660	1,987,759	25,071	24,841	321,588	43,641	3,211,374
Accumulated depreciation	(206,357)	(44,793)	(646,889)	(17,309)	(21,302)	—	(21,449)	(958,099)
Impairment	(6,277)	—	(88,429)	—	(86)	—	—	(94,792)
Net carrying amount	542,180	8,867	1,252,441	7,762	3,453	321,588	22,192	2,158,483

As at 31 December 2023, 2024 and 30 September 2025, property ownership certificates for certain of the Group's buildings with aggregate net carrying values of approximately RMB215,776,000, RMB189,407,000 and RMB183,642,000 (unaudited) have not been obtained by the Group. In the opinion of Group' directors, the Group has no legal impediment to obtain the relevant property ownership certificates.

As at 31 December 2023, 2024 and 30 September 2025, the Group's property, plant and equipment of RMB127,757,000, RMB288,084,000 and RMB393,982,000 (unaudited) were pledged to secure bank borrowings, respectively (note 40).

Impairment testing of property, plant and equipment

As at 31 December 2024, as the capacity utilisation rate of the fully biodegradable production line had not reached the normal level, the Group performed an impairment test on a cash-generating unit engaging in fully biodegradable production in the fully biodegradable business segment.

The recoverable amount of the cash-generating unit was RMB407,263,000 which was determined based on a value in use calculation using cash flow projections based on 5-year financial budgets approved by senior management. The forecast period used in the cash flow projections was 15 years, based on the economic useful life of the major equipment, and the applied pre-tax discount rate was 10.92%. Based on the impairment test, the carrying amount of the cash-generating unit was impaired by RMB94,792,000.

Consequently, the carrying amounts of property, plant and equipment, and right-of-use assets included in the cash-generating unit were impaired by RMB94,792,000 and Nil, respectively. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss.

The key assumption involved in the impairment test was the discount rate. If the discount rate increased or decreased by 1% during the forecast period, the impairment loss would increase by RMB5,644,000 or decrease by RMB7,295,000.

As at 30 September 2025, the Group did not identify any further impairment indicators, therefore, no further impairment losses has been recognised.

The Company

31 December 2023

	Electronic devices *RMB'000*	**Machinery** *RMB'000*	**Vehicles** *RMB'000*	**Office equipment and other equipment** *RMB'000*	**Construction in progress** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023						
Cost	2,725	4,107	5,448	1,032	12,761	26,073
Accumulated depreciation	(1,966)	(14)	(5,141)	(1,024)	—	(8,145)
Net carrying amount	759	4,093	307	8	12,761	17,928
At 1 January 2023, net of accumulated depreciation	759	4,093	307	8	12,761	17,928
Additions	—	—	—	—	948	948
Transfer	153	—	—	—	(153)	—
Transfer to intangible assets	—	—	—	—	(13,525)	(13,525)
Depreciation provided during the year	(496)	(526)	(35)	—	—	(1,057)
At 31 December 2023, net of accumulated depreciation	416	3,567	272	8	31	4,294
As at 31 December 2023						
Cost	2,878	4,107	5,448	1,032	31	13,496
Accumulated depreciation	(2,462)	(540)	(5,176)	(1,024)	—	(9,202)
Net carrying amount	416	3,567	272	8	31	4,294

31 December 2024

	Electronic devices *RMB'000*	**Machinery** *RMB'000*	**Vehicles** *RMB'000*	**Office equipment and other equipment** *RMB'000*	**Construction in progress** *RMB'000*	**Total** *RMB'000*
As at 1 January 2024						
Cost	2,878	4,107	5,448	1,032	31	13,496
Accumulated depreciation	(2,462)	(540)	(5,176)	(1,024)	—	(9,202)
Net carrying amount	416	3,567	272	8	31	4,294
At 1 January 2024, net of accumulated depreciation	416	3,567	272	8	31	4,294
Additions	—	—	—	—	230	230
Depreciation provided during the year	(190)	(383)	—	—	—	(573)

	Electronic devices *RMB'000*	Machinery *RMB'000*	Vehicles *RMB'000*	Office equipment and other equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
At 31 December 2024, net of accumulated depreciation	226	3,184	272	8	261	3,951
As at 31 December 2024						
Cost	2,878	4,107	5,448	1,032	261	13,726
Accumulated depreciation	(2,652)	(923)	(5,176)	(1,024)	—	(9,775)
Net carrying amount	226	3,184	272	8	261	3,951

30 September 2025 (unaudited)

	Electronic devices *RMB'000* (unaudited)	Machinery *RMB'000* (unaudited)	Vehicles *RMB'000* (unaudited)	Office equipment and other equipment *RMB'000* (unaudited)	Construction in progress *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
As at 1 January 2025						
Cost	2,878	4,107	5,448	1,032	261	13,726
Accumulated depreciation	(2,652)	(923)	(5,176)	(1,024)	—	(9,775)
Net carrying amount	226	3,184	272	8	261	3,951
At 1 January 2025, net of accumulated depreciation	226	3,184	272	8	261	3,951
Additions	—	—	—	—	378	378
Depreciation provided during the period	(40)	(281)	—	—	—	(321)
At 30 September 2025, net of accumulated depreciation	186	2,903	272	8	639	4,008
At 30 September 2025						
Cost	2,878	4,107	5,448	1,032	639	14,104
Accumulated depreciation	(2,692)	(1,204)	(5,176)	(1,024)	—	(10,096)
Net carrying amount	186	2,903	272	8	639	4,008

15. INVESTMENT PROPERTIES

The Group

	Year ended 31 December		Nine months ended 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
At the beginning of the year/period			
Cost	19,958	19,958	19,958
Accumulated depreciation	(13,961)	(14,909)	(15,857)
Net carrying amount	5,997	5,049	4,101

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period, net of accumulated depreciation	5,997	5,049	4,101
Depreciation provided during the year/period *(note 6)*	(948)	(948)	(711)
At the end of the year/period, net of accumulated depreciation	5,049	4,101	3,390
At the end of the year/period			
Cost	19,958	19,958	19,958
Accumulated depreciation	(14,909)	(15,857)	(16,568)
Net carrying amount	5,049	4,101	3,390

The Group's investment properties consist of one commercial property located in Shanghai and one residential property located in Shandong Province. The directors of the Group have determined that the investment properties are commercial based on the nature, characteristics and risks of the properties.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the Historical Financial Information and the unaudited Interim Financial Information.

As at 31 December 2023, 2024 and 30 September 2025, the fair values of investment properties, which are categorised within Level 3 of the fair value hierarchy, are not materially different from their original cost and the fair value of investment properties as at 31 December 2023, 2024 and 30 September 2025 were RMB5,049,000, RMB4,101,000 and RMB3,390,000 (unaudited), respectively.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, buildings and machinery used in its operations. Leases of lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 45 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms of 6 to 10 years. Leases of machinery generally have lease term of 5 years. Other equipment generally has lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

The Group

	Leasehold land *RMB'000*	**Buildings** *RMB'000*	**Machine and equipment** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023	237,049	7,539	—	244,588
Additions	359	57,545	—	57,904
Disposal of a subsidiary	(40)	—	—	(40)
Depreciation provided during the year *(note 6)*	(6,052)	(10,650)	—	(16,702)
As at 31 December 2023 and 1 January 2024	231,316	54,434	—	285,750
Additions	—	5,389	1,559	6,948
Depreciation provided during the year *(note 6)*	(6,093)	(9,601)	(286)	(15,980)
As at 31 December 2024 and 1 January 2025	225,223	50,222	1,273	276,718
Depreciation provided during the period (unaudited) *(note 6)*	(4,569)	(7,403)	(234)	(12,206)
As at 30 September 2025 (unaudited)	220,654	42,819	1,039	264,512

As at 31 December 2023, 2024 and 30 September 2025, certain of the Group's leasehold land with aggregate carrying amounts of approximately RMB35,168,000, RMB34,419,000 and RMB33,858,000 (unaudited), respectively, were pledged to secure interest-bearing bank borrowings granted to the Group (note 40).

The Company

	Buildings *RMB'000*
As at 1 January 2023	7,539
Additions	57,545
Depreciation provided during the year	(10,650)
As at 31 December 2023 and 1 January 2024	54,434
Depreciation provided during the year	(9,331)
As at 31 December 2024 and 1 January 2025	45,103
Depreciation provided during the period (unaudited)	(6,999)
As at 30 September 2025 (unaudited)	38,104

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

The Group

	Year ended 31 December		Nine months ended 30 September
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Carrying amount at the beginning of the year/period	7,202	58,384	55,097
Additions	57,545	6,948	—
Accretion of interest recognised during the year/period *(note 8)*	943	2,475	2,872
Payments	(7,306)	(12,710)	(9,140)
Carrying amount at the end of the year/period	58,384	55,097	48,829
Analysed into:			
Current portion	8,244	9,616	9,721
Non-current portion	50,140	45,481	39,108

The Company

	Year ended 31 December		Nine months ended 30 September
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Carrying amount at the beginning of the year/period	7,202	58,384	49,125
New leases	57,545	—	—
Accretion of interest recognised during the year/period	943	2,396	2,731
Payments	(7,306)	(11,655)	(8,889)
Carrying amount at the end of the year/period	58,384	49,125	42,967

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Analysed into:			
Current portion	8,244	9,616	9,721
Non-current portion	50,140	39,509	33,246

The maturity analysis of lease liabilities is disclosed in note 47 to the Historical Financial Information and the unaudited Interim Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Interest on lease liabilities	943	2,475	1,834	2,872
Depreciation charge of right-of-use assets	16,702	15,980	11,568	12,206
Expense relating to short-term leases and low-value assets	6,471	8,084	6,391	4,991
Total amount recognised in profit or loss	24,116	26,539	19,793	20,069

(d) The total cash outflow for leases is set out in note 39 to the Historical Financial Information and the unaudited Interim Financial Information.

The Group as a lessor

The Group leases its buildings under operating lease arrangements. Details of rental income recognised are included in note 5 to the Historical Financial Information and the unaudited Interim Financial Information.

At 31 December 2023, 2024 and 30 September 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within one year	1,749	844	928
After one year but within two years	1,822	928	918
After two year but within ten years	5,723	6,641	5,723
Total	9,294	8,413	7,569

17. GOODWILL

	Semiconductor photoresist CGU	Display panel photoresist CGU	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023 and 2024 and 1 January 2025			
Cost and net carrying amount	200,186	237,255	437,441
As at 30 September 2025			
Cost and net carrying amount (unaudited)	200,186	237,255	437,441

Impairment testing of goodwill

The goodwill arise from electronic materials segment acquired through business combinations has been allocated to the following cash-generating unit ("CGU") for impairment testing:

- Semiconductor photoresist CGU; and
- Display panel photoresist CGU

Key assumptions for value in use calculations

The recoverable amount of the semiconductor photoresist CGU and display panel photoresist CGU have been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management.

As at 31 December 2023, 2024 and 30 September 2025, based on the value-in-use calculations, the recoverable amount exceeded the carrying amount of semiconductor photoresist CGU by RMB34,053,000, RMB63,969,000 and RMB73,982,000 (unaudited), respectively. the recoverable amount exceeded the carrying amount of display panel photoresist CGU by RMB378,604,000, RMB409,663,000 and RMB543,941,000 (unaudited), respectively.

Assumptions were used in the value in use calculation of the semiconductor photoresist CGU and display panel photoresist CGU at the end of each of the Relevant Periods and in the period covered by the Interim Financial Information. The following are the key assumptions on which management and the independent external valuer have based its cash flow projections to perform impairment testing of goodwill:

	As at 31 December		As at 30 September
	2023	2024	2025 (unaudited)
Semiconductor photoresist CGU:			
Pre-tax discount rate	11.70%	11.68%	12.18%
Revenue annual growth rate — range of the forecast period	16.58% to 37.84%	6.00% to 25.00%	6.00% to 28.73%
Net profit margin — range of the forecast period	6.05% to 18.70%	13.62% to 17.87%	17.10% to 19.66%
Revenue annual growth rate — stable period	0.00%	0.00%	0.00%
Net profit margin — stable period	18.70%	17.87%	19.66%

	As at 31 December		As at 30 September
	2023	2024	2025
			(unaudited)
Display panel photoresist CGU:			
Pre-tax discount rate	11.70%	11.48%	12.23%
Revenue annual growth rate — range of the forecast period	16.13% to 30.14%	11.65% to 19.90%	10.00% to 16.85%
Net profit margin — range of the forecast period	16.70% to 18.62%	15.60% to 18.00%	17.98% to 20.86%
Revenue annual growth rate — stable period	0.00%	0.00%	0.00%
Net profit margin — stable period	17.28%	16.46%	19.07%

Revenue annual growth rate — The basis is determined with reference to the average revenue growth rate achieved in the years before the budget year, appropriate adjustments for management's projected future operating plans and production data.

Net profit margin during the forecast period — The basis is determined with reference to the average net profit margin growth rate achieved in the prior year, increased for expected efficiency improvements.

Pre-tax discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions on revenue annual growth rate, net profit margin during the forecast period and pre-tax discount rate are consistent with external information sources.

Sensitivity analysis for value in use calculations

Semiconductor photoresist CGU

Management of the Group has performed sensitivity test by decreasing 3% revenue annual growth rate, decreasing 3% of net profit margin or increasing 3% of discount rate, with all other key assumptions held constant. The amount by which semiconductor photoresist CGU recoverable amount exceed its carrying amount ("headroom") are as below:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Revenue annual growth rate decreased by 3%	6,053	36,601	38,018
Net profit margin decreased by 3%	28,053	40,730	47,956
Pre-tax discount rate increased by 3%	4,053	36,532	45,718

Display panel photoresist CGU

Management of the Group has performed sensitivity test by decreasing 3% revenue annual growth rate, decreasing 3% of net profit margin or increasing 3% of discount rate, with all other key assumptions held constant. The amount by which Display panel photoresist CGU recoverable amount exceed its carrying amount ("headroom") are as below:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Revenue annual growth rate decreased by 3%	314,684	344,902	481,846
Net profit margin decreased by 3%	352,684	382,955	515,640
Pre-tax discount rate increased by 3%	345,684	377,908	511,414

Based on the headroom of the impairment assessment for the Relevant Periods and in the period covered by the unaudited Interim Financial Information, management of the Group believe that any reasonably possible change in any of the key assumptions would not result in an impairment provision of goodwill.

These sensitivities analysis are based on changing the relevant assumption while holding other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

Considering there was still sufficient headroom based on the assessment, the management believe there was no impairment for the goodwill as at the end of each of the Relevant Periods and 30 September 2025.

Based on the results of the above mentioned assessments as conducted by management and the independent external valuer, the directors of the Group conclude that no impairment loss on the aforementioned goodwill is required to be recognised as at the end of each of the Relevant Periods and 30 September 2025.

18. INTANGIBLE ASSETS

The Group

31 December 2023

	Software	Technology licence fee	Technical know-how	Production licence	Patent	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023						
Cost	6,186	8,706	158,014	8,272	88,167	269,345
Accumulated amortisation	(3,358)	(8,706)	(45,375)	(1,034)	(14,548)	(73,021)
Impairment	—	—	(54,016)	(7,238)	—	(61,254)
Net carrying amount	2,828	—	58,623	—	73,619	135,070
As at 1 January 2023, net of accumulated amortisation and impairment	2,828	—	58,623	—	73,619	135,070
Additions	1,664	—	—	—	201	1,865
Transfer from PPE *(note 14)*	13,525	—	—	—	—	13,525
Disposal of a subsidiary	—	—	—	—	(695)	(695)
Amortisation during the year *(note 6)*	(1,733)	—	(11,115)	—	(4,851)	(17,699)
As at 31 December 2023, net of accumulated amortisation	16,284	—	47,508	—	68,274	132,066

	Software	Technology licence fee	Technical know-how	Production licence	Patent	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023						
Cost	21,353	8,706	95,695	—	85,623	211,377
Accumulated amortisation	(5,069)	(8,706)	(48,187)	—	(17,349)	(79,311)
Net carrying amount	16,284	—	47,508	—	68,274	132,066

31 December 2024

	Software	Technology licence fee	Technical know-how	Patent	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024					
Cost	21,353	8,706	95,695	85,623	211,377
Accumulated amortisation	(5,069)	(8,706)	(48,187)	(17,349)	(79,311)
Net carrying amount	16,284	—	47,508	68,274	132,066
As at 1 January 2023, net of accumulated amortisation	16,284	—	47,508	68,274	132,066
Additions	324	—	—	93,014	93,338
Transfer from PPE *(note 14)*	113	—	—	—	113
Amortisation during the year *(note 6)*	(2,475)	—	(11,115)	(6,987)	(20,577)
As at 31 December 2024, net of accumulated amortisation	14,246	—	36,393	154,301	204,940
As at 31 December 2024					
Cost	21,790	8,706	95,695	178,637	304,828
Accumulated amortisation	(7,544)	(8,706)	(59,302)	(24,336)	(99,888)
Net carrying amount	14,246	—	36,393	154,301	204,940

30 September 2025 (unaudited)

	Software	Technology licence fee	Technical know-how	Patent	Total
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
As at 1 January 2025					
Cost	21,790	8,706	95,695	178,637	304,828
Accumulated amortisation	(7,544)	(8,706)	(59,302)	(24,336)	(99,888)
Net carrying amount	14,246	—	36,393	154,301	204,940
As at 1 January 2025, net of accumulated amortisation	14,246	—	36,393	154,301	204,940
Additions	718	—	—	2	720
Amortisation during the period *(note 6)*	(1,767)	—	(8,077)	(10,660)	(20,504)
As at 30 September 2025, net of accumulated amortisation	13,197	—	28,316	143,643	185,156

	Software *RMB'000* (unaudited)	Technology licence fee *RMB'000* (unaudited)	Technical know-how *RMB'000* (unaudited)	Patent *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
As at 30 September 2025					
Cost	22,508	8,706	95,695	178,639	305,548
Accumulated amortisation	(9,311)	(8,706)	(67,379)	(34,996)	(120,392)
Net carrying amount	13,197	—	28,316	143,643	185,156

The Company

	Software *RMB'000*
As at 1 January 2023	
Cost	2,897
Accumulated amortisation	(1,358)
As at 1 January 2023, net of accumulated amortisation	1,539
Transfer from PPE *(note 14)*	13,525
Amortisation during the year	(1,573)
As at 31 December 2023 and 1 January 2024, net of accumulated amortisation	13,491
Amortisation during the year	(1,956)
As at 31 December 2024 and 1 January 2025, net of accumulated amortisation	11,535
Amortisation during the period (unaudited)	(1,374)
As at 30 September 2025, net of accumulated amortisation (unaudited)	10,161
As at 30 September 2025 (unaudited)	
Cost (unaudited)	16,422
Accumulated amortisation (unaudited)	(6,261)
Net carrying amount (unaudited)	10,161

19. INVESTMENTS IN ASSOCIATES

The Group

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Share of net assets	1,580,241	2,131,238	2,487,833

The Group's transactions and outstanding balances with the associate are set out in note 43 to the Historical Financial Information and the unaudited Interim Financial Information.

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of registration and business held	Percentage of ownership interest attributable to the Group			Principal activities
			As at 31 December		As at 30 September	
			2023	2024	2025 (unaudited)	
中策橡膠集團股份有限公司 (Zhongce Rubber Group Co., Ltd. ("Zhongce Rubber"))	Ordinary shares	Chinese mainland	8.92%	8.92%	8.03%	Manufacture and sales of tyres and rubber products
浦林成山控股有限公司 (Prinx Chengshan Holdings Limited (Prinx Chengshan))	Ordinary shares	Hong Kong	3.90%*	5.13%	5.12%	Manufacture and sales of tyres and rubber products

The Group has significant influence over the associates as the Group has the power to participate in the financial and operating policy decisions of those associates by appointing a non-executive director in the boards.

* Prior to 2024, the Group accounted for investment in Prinx Chengshan as financial assets at fair value through profit or loss. In 2024, Prinx Chengshan became an associate of the Company because the Group contributed additional capital to this associate and has the power to participate in the financial and operating policy decisions of the associate by appointing a non-executive director in the boards.

The following table illustrates the summarised financial information in respect of Zhongce Rubber adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current assets	18,531,327	21,707,545	25,249,375
Non-current assets	20,664,354	23,116,894	25,831,874
Current liabilities	20,922,634	22,531,197	23,035,399
Non-current liabilities	4,089,924	4,815,902	3,902,171
Net assets	14,183,123	17,477,340	24,143,679
Reconciliation to the Group's interest in the associate:			
Non-controlling interests	801	779	780
Proportion of the Group's ownership	8.92%	8.92%	8.03%*
Group's share of net assets of the associate	1,264,996	1,558,826	1,938,675
Adjustments *(note (1))*	253,127	173,274	144,522
Carrying amount of the investment	1,518,123	1,732,100	2,083,197
Fair value of the Group's investment	NA	NA	3,548,610

* In June 2025, Zhongce Rubber issued new share capital to third parties, and as a result, the Group's shareholdings decreased to 8.03% but still has significant influence. The Group's share of the additional equity of RMB127,904,000 is recorded as an increase in the investment and with a credit to capital reserve (note 36).

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Revenue *(note(1))*	35,252,255	39,254,810	33,682,628
Profit attributable to owners of the parent for the year/period *(note(1))*	2,637,869	3,787,149	3,513,209
Other comprehensive income attributable to owners of the parent *(note(1))*	152,360	157,435	322,019
Total comprehensive income for the year/period *(note(1))*	2,790,229	3,944,584	3,835,228
Dividend received	40,138	62,437	91,260

Note:

(1) The adjustments represented the fair value adjustments to the underlying net assets of the associate upon acquisition of the associate. Other than the fair value adjustment, the financial information disclosed is based on the accounting records of the associates.

The following table illustrates the summarised financial information in respect of Prinx Chengshan adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	As at 31 December 2024	As at 30 September 2025
	RMB'000	*RMB'000* (unaudited)
Current assets	5,500,123	6,204,051
Non-current assets	5,524,583	5,366,441
Current liabilities	3,909,166	3,495,599
Non-current liabilities	572,078	887,904
Net assets	6,543,462	7,186,989
Reconciliation to the Group's interest in the associate:		
Non-controlling interests	(81)	(38)
Proportion of the Group's ownership	5.13%	5.12%
Group's share of net assets of the associate	335,942	367,708
Adjustments *(note (1))*	2,484	1,131
Carrying amount of the investment	338,426	368,839
Fair value of the Group's investment	207,267	216,873

	The period from the date accounted for as an associate to 31 December 2024 *RMB'000*	Nine months ended 30 September 2025 *RMB'000* (unaudited)
Revenue *(note(1))*	8,518,164	8,850,989
Profit attributable to owners of the parent for the year/period *(note(1))*	994,458	864,731
Other comprehensive income attributable to owners of the parent *(note(1))*	57,592	29,830
Total comprehensive income for the year/period *(note(1))*	1,052,050	894,561
Dividend received	12,372	13,453

Note:

(1) The adjustments represented the fair value adjustments to the underlying net assets of the associate upon acquisition of the associate. Other than the fair value adjustment, the financial information disclosed is based on the accounting records of the associates.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	As at 31 December 2023 *RMB'000*	2024 *RMB'000*	As at 30 September 2025 *RMB'000* (unaudited)
Share of the associates' loss for the year/period	(2,233)	(1,406)	(3,322)
Share of the associates' total comprehensive loss	(2,233)	(1,406)	(3,322)
Aggregate carrying amount of the Group's investments in the associates	62,118	60,712	35,796

The Company

	As at 31 December 2023 *RMB'000*	2024 *RMB'000*	As at 30 September 2025 *RMB'000* (unaudited)
Share of net assets	1,580,241	1,792,812	2,118,993

20 INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December 2023 *RMB'000*	2024 *RMB'000*	As at 30 September 2025 *RMB'000* (unaudited)
Investments in subsidiaries:			
Cost	2,159,169	2,438,221	2,706,001
Share-based payments to subsidiaries	25,827	60,010	57,445
Total	2,184,996	2,498,231	2,763,456

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value			
江蘇恒諾新材料科技有限公司 (Jiangsu Hengnuo New Materials Technology Co., Ltd.)	15,025	14,925	14,925
深恒和投資管理(深圳)有限公司 (Shenzhen Henghe Investment Management (Shenzhen) Co., Ltd.)	13,399	14,630	14,630
藝格工裝(北京)科技有限公司 (Yige Workwear (Beijing) Technology Co., Ltd.)	999	1,222	1,222
上海美麗境界股權投資管理有限公司 (Shanghai BMC Investment Management Co., Ltd.)	920	920	920
江蘇興達鋼簾線股份有限公司 (Jiangsu Xingda Steel Tyre Cord Co., Ltd. (Xingda Steel Tyre))	32,000	—	—
深圳小胖科技有限公司 (Shenzhen Xiaopang Technology Co., Ltd. (Shenzhen Xiaopang))	13,113	13,715	—
Total	75,456	45,412	31,697

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be non-traded and strategic in nature.

During the Relevant Periods and the nine months ended 30 September 2024 and 2025, the Group received dividends of RMB1,820,000, RMB1,860,000, RMB1,860,000 (unaudited) and RMB450,000 (unaudited), respectively.

In 2024, the Group disposed of its equity interest in Xingda Steel Tyre for a total consideration of RMB33,893,000 as this investment was no longer allied with the Group's investment strategy. The consideration received by the Group for the disposal was RMB33,893,000 and the accumulated gain recognised in other comprehensive income of RMB4,140,000 was transferred to retained profits, RMB460,000 was transferred to statutory surplus reserve, respectively.

In 2025, the Group disposed of its equity interest in Shenzhen Xiaopang as this investment was no longer allied with the Group's investment strategy. The fair value of this investment upon disposal was RMB13,715,000 and the accumulated gain recognised in other comprehensive income of RMB3,715,000 was transferred to retained profits.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value	74,536	44,492	30,776

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current portion			
Listed equity investments	143,736	—	—
Non-current portion			
Unlisted equity investments and investment funds, at fair value	109,572	128,634	128,634
Total	253,308	128,634	128,634

During the Relevant Periods and the nine months ended 30 September 2024 and 2025, the Group received dividends of RMB3,105,000, Nil, Nil (unaudited) and Nil (unaudited), respectively.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current portion			
Unlisted equity investments and investment funds, at fair value	109,572	128,634	128,634

23. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

Deferred tax assets

	Tax losses *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Impairment of financial assets and non-financial assets *RMB'000*	Interest accrued on convertible bonds *RMB'000*	Deferred income *RMB'000*	Lease liabilities *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2023	24,324	9,342	3,595	5,871	13,454	—	2,893	59,479
Deferred tax (charged)/credited to profit or loss during the year	(5,160)	—	337	5,981	4,118	14,596	212	20,084
Deferred tax credited to other comprehensive income during the year	—	567	—	—	—	—	—	567

	Tax losses *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Impairment of financial assets and non-financial assets *RMB'000*	Interest accrued on convertible bonds *RMB'000*	Deferred income *RMB'000*	Lease liabilities *RMB'000*	Others *RMB'000*	Total *RMB'000*
Gross deferred tax assets at 31 December 2023 and 1 January 2024	19,164	9,909	3,932	11,852	17,572	14,596	3,105	80,130
Deferred tax (charged)/credited to profit or loss during the year	(8,720)	1,533	15,763	4,177	128	(2,315)	2,510	13,076
Deferred tax credited to tax payable during the year	—	(1,533)	—	—	—	—	—	(1,533)
Deferred tax credited to other comprehensive income during the year	—	(56)	—	—	—	—	—	(56)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	10,444	9,853	19,695	16,029	17,700	12,281	5,615	91,617
Deferred tax credited/(charged) to profit or loss during the period (unaudited)	3,188	—	(1,210)	3,408	—	(1,539)	—	3,847
Gross deferred tax assets at 30 September 2025 (unaudited)	13,632	9,853	18,485	19,437	17,700	10,742	5,615	95,464

Deferred tax liabilities

	Right-of-use assets *RMB'000*	Fair value adjustment arising from acquisition of subsidiaries *RMB'000*	Withholding tax on dividends *RMB'000*	Changes in fair value of financial assets at fair value through profit or loss *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2023	85	27,826	27,173	10,001	6,721	1,648	73,454
Deferred tax charged/(credited) to profit or loss during the year	13,524	(2,003)	393	1,142	—	(1,576)	11,480
Deferred tax credited to other comprehensive income during the year	—	—	—	—	(4,003)	—	(4,003)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	13,609	25,823	27,566	11,143	2,718	72	80,931
Deferred tax (credited)/charged to profit or loss during the year	(2,332)	(2,399)	200	(2,734)	—	301	(6,964)
Deferred tax credited to other comprehensive income during the year	—	—	—	—	(627)	—	(627)

	Right-of-use assets *RMB'000*	Fair value adjustment arising from acquisition of subsidiaries *RMB'000*	Withholding tax on dividends *RMB'000*	Changes in fair value of financial assets at fair value through profit or loss *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Others *RMB'000*	Total *RMB'000*
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	11,277	23,424	27,766	8,409	2,091	373	73,340
Deferred tax credited to profit or loss during the period (unaudited)	(2,138)	(1,760)	—	—	—	—	(3,898)
Gross deferred tax liabilities at 30 September 2025 (unaudited)	9,139	21,664	27,766	8,409	2,091	373	69,442

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Net deferred tax assets recognised in the consolidated statement of financial position	52,660	69,469	75,455
Net deferred tax liabilities recognised in the consolidated statement of financial position	53,461	51,192	49,433

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Tax losses	413,157	488,677	469,229
Deductible temporary differences	126,745	123,523	123,523
Total	539,902	612,200	592,752

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose. In Chinese mainland, the tax losses are eligible to be carried forward for 5 years, where the tax losses of entity recognised as a High and New Technology Enterprises are eligible to be carried forward for 10 years. The majority of tax losses in overseas are carried forward indefinitely.

Deferred tax assets have not been fully recognised in respect of these losses and deductible temporary differences as they have arisen in the Company and its subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

Deferred tax assets

	Tax losses *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Interest expense on convertible bonds *RMB'000*	Lease liabilities *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2023	20,229	9,342	5,871	—	323	35,765
Deferred tax (charged)/credited to profit or loss during the year	(9,237)	—	5,981	14,596	323	11,663
Deferred tax credited to other comprehensive income during the year	—	567	—	—	—	567
Gross deferred tax assets at 31 December 2023 and 1 January 2024	10,992	9,909	11,852	14,596	646	47,995
Deferred tax (charged)/credited to profit or loss during the year	(8,201)	1,533	4,177	(2,315)	968	(3,838)
Deferred tax credited to retained profits during the year	—	(1,533)	—	—	—	(1,533)
Deferred tax credited to other comprehensive income during the year	—	(56)	—	—	—	(56)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,791	9,853	16,029	12,281	1,614	42,568
Deferred tax credited/(charged) to profit or loss during the period (unaudited)	—	—	3,408	(1,539)	802	2,671
Gross deferred tax assets at 30 September 2025 (unaudited)	2,791	9,853	19,437	10,742	2,416	45,239

Deferred tax liabilities

	Right-of-use assets *RMB'000*	Changes in fair value of financial assets at fair value through profit or loss *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Total *RMB'000*
At 1 January 2023	85	10,001	6,691	16,777
Deferred tax charged to profit or loss during the year	13,524	1,142	—	14,666

	Right-of-use assets *RMB'000*	Changes in fair value of financial assets at fair value through profit or loss *RMB'000*	Changes in fair value of equity investments designated at fair value through other comprehensive income *RMB'000*	Total *RMB'000*
Deferred tax credited to other comprehensive income during the year	—	—	(4,003)	(4,003)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	13,609	11,143	2,688	27,440
Deferred tax credited to profit or loss during the year	(2,332)	(2,734)	—	(5,066)
Deferred tax credited to other comprehensive income during the year	—	—	(627)	(627)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	11,277	8,409	2,061	21,747
Deferred tax credited to profit or loss during the period (unaudited)	(2,138)	—	—	(2,138)
Gross deferred tax liabilities at 30 September 2025 (unaudited)	9,139	8,409	2,061	19,609

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Net deferred tax assets recognised in the consolidated statement of financial position	20,555	20,821	25,630

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Tax losses	214,170	214,815	214,815

24. INVENTORIES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Finished goods	231,122	263,059	256,804
Raw materials	192,414	214,847	228,198
Work in progress	7,370	11,930	19,359
Materials consigned for processing	11,141	8,317	10,741
	442,047	498,153	515,102
Provision for inventories	(11,318)	(11,939)	(3,833)
Total	430,729	486,214	511,269

The movements in provision

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Carrying amount at the beginning of year/period	5,619	11,318	11,939
Impairment losses recognised, net *(note 6)*	5,699	9,540	—
Amounts written off	—	(8,919)	(8,106)
Carrying amount at the end of year/period	11,318	11,939	3,833

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Finished goods	1,987	354	606

25. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade receivables	614,087	649,274	730,009
Less: Impairment losses	(12,176)	(11,986)	(12,074)
Net carrying amount	601,911	637,288	717,935

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Bills receivables at amortised cost	76,938	108,912	93,275
Bills receivables at fair value through other comprehensive income	329,892	318,724	322,590
Net carrying amount	406,830	427,636	415,865
Total	1,008,741	1,064,924	1,133,800

The 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 is generally 30 days, extending up to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, 2024 and 30 September 2025, certain bills receivables measured at fair value amounting to RMB17,588,000, Nil and Nil (unaudited), respectively, were pledged to banks as collateral for issuance of bank acceptance notes (note 40).

An ageing analysis of the trade and bills receivables at amortised cost as at the end of each of the Relevant Periods and 30 September 2025, based on the time of revenue recognition and net of loss allowance, is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within six months	672,271	722,918	793,739
Seven months to one year	2,515	14,713	7,757
Over one year and within two years	2,843	7,732	7,995
Over two years and within three years	1,102	837	1,719
Over three years	118	—	—
Total	678,849	746,200	811,210

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of year/period	13,700	12,176	11,986
Impairment losses, net	1,814	82	88
Amount written off as uncollectible	(3,201)	(272)	—
Disposal of a subsidiary	(137)	—	—
At the end of year/period	12,176	11,986	12,074

Bills receivables were mostly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was immaterial as at the end of each of the Relevant Periods and 30 September 2025.

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at the end of the reporting periods using a provision matrix to measure expected credit losses. The provision rates are based on aging information for groupings of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, 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 five years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Within six months	Seven months to one year	Over one year and within two years	Over two years and within three years	Over three years	Total
As at 31 December 2023						
On a collective basis:						
Expected credit loss rate	0.28%	17.91%	27.19%	38.01%	85.46%	0.99%
Gross carrying amount (RMB'000)	597,435	2,608	3,159	2,202	2,511	607,915
Expected credit losses (RMB'000)	1,695	467	859	837	2,146	6,004
On an individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000)						6,172
Expected credit losses (RMB'000)						6,172

	Within six months	Seven months to one year	Over one year and within two years	Over two years and within three years	Over three years	Total
As at 31 December 2024						
On a collective basis:						
Expected credit loss rate	0.30%	3.08%	10.00%	49.97%	100.00%	0.95%
Gross carrying amount (RMB'000)	615,826	15,181	8,591	1,675	2,146	643,419
Expected credit losses (RMB'000)	1,822	467	859	837	2,146	6,131
On an individual basis:						
Expected credit loss rate						100.00%
Gross carrying amount (RMB'000)						5,855
Expected credit losses (RMB'000)						5,855

	Within six months	Seven months to one year	Over one year and within two years	Over two years and within three years	Over three years	Total
As at 30 September 2025 (unaudited)						
On a collective basis:						
Expected credit loss rate (unaudited)	0.37%	2.53%	9.74%	50.00%	100.00%	0.86%
Gross carrying amount (RMB'000) (unaudited)	704,334	7,385	9,372	1,138	1,925	724,154
Expected credit losses (RMB'000) (unaudited)	2,625	187	913	569	1,925	6,219
On an individual basis:						
Expected credit loss rate (unaudited)						100.00%
Gross carrying amount (RMB'000) (unaudited)						5,855
Expected credit losses (RMB'000) (unaudited)						5,855

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade receivables	72,457	68,433	70,431
Less: Impairment losses	(93)	(397)	(419)
Net carrying amount	72,364	68,036	70,012
Bills receivables at amortised cost	—	22,429	22,492
Bills receivables at fair value through other comprehensive income	53,085	56,192	66,104
Net carrying amount	53,085	78,621	88,596
Total	125,449	146,657	158,608

An ageing analysis of the trade and bills receivables at amortised cost as at the end of each of the Relevant Periods and 30 September 2025, based on the time of revenue recognition and net of loss allowance, is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within six months	72,135	89,299	90,223
Seven months to one year	229	1,166	2,281
Total	72,364	90,465	92,504

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of year/period	858	93	397
(Reversal of)/Impairment losses, net	(765)	304	22
At the end of year/period	93	397	419

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Within six months	Seven months to one year	Total
As at 31 December 2023			
On a collective basis:			
Expected credit loss rate	0.12%	2.55%	0.13%
Gross carrying amount (RMB'000)	72,222	235	72,457
Expected credit losses (RMB'000)	87	6	93

	Within six months	Seven months to one year	Total
As at 31 December 2024			
On a collective basis:			
Expected credit loss rate	0.50%	4.97%	0.58%
Gross carrying amount (RMB'000)	67,205	1,228	68,433
Expected credit losses (RMB'000)	336	61	397

	Within six months	Seven months to one year	Total
As at 30 September 2025 (unaudited)			
On a collective basis:			
Expected credit loss rate (unaudited)	0.44%	5.04%	0.59%
Gross carrying amount (RMB'000) (unaudited)	68,029	2,402	70,431
Expected credit losses (RMB'000) (unaudited)	298	121	419

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current portion			
Prepayments to suppliers	31,672	35,120	97,448
Value added tax recoverable	17,355	26,895	29,690
Deposits	7,031	4,791	4,758

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Deferred expenses	3,502	3,909	2,110
Prepayment for acquisition of equity investment	13,500	—	—
Other receivables	26,163	23,477	26,672
	99,223	94,192	160,678
Impairment losses	(11,129)	(11,406)	(11,407)
	88,094	82,786	149,271
Non-current portion			
Prepayments for acquisitions of property, plant and equipment	24,241	43,271	87,908
Deferred expenses	1,014	5,186	6,705
Value added tax recoverable	—	3,761	8,946
	25,255	52,218	103,559
Total	113,349	135,004	252,830

These balances were interest-free, unsecured and repayable on demand.

An impairment analysis was performed at the end of each of the Relevant Periods and 30 September 2025. The Group has applied the general approach to assess the expected credit losses for financial assets included in prepayments, other receivables and other assets under IFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

The movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

Year ended 31 December 2023

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	297	5,799	12,324	18,420
Impairment losses, net	(210)	(5,767)	9,402	3,425
Liquidation of a subsidiary	—	—	(10,716)	(10,716)
At the end of the year	87	32	11,010	11,129

Year ended 31 December 2024

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	87	32	11,010	11,129
Impairment losses, net	147	209	—	356
Amount written off as uncollectible	—	(79)	—	(79)
At the end of the year	234	162	11,010	11,406

Nine months ended 30 September 2025 (unaudited)

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At the beginning of the period	234	162	11,010	11,406
Impairment losses, net	1	—	—	1
At the end of the period	235	162	11,010	11,407

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Current portion			
Deposits	3,709	3,707	3,708
Deferred expenses	1,484	2,008	657
Other receivables	948	1,697	2,803
	6,141	7,412	7,168
Less: Impairment losses	(26)	(153)	(153)
Total	6,115	7,259	7,015

27. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Current portion			
Cash and bank balances	743,987	1,173,804	1,389,348
Less: Pledged deposits	(38,922)	(36,004)	(25,100)
Time deposits with original maturity of more than three months and due within one year	(43,629)	(634,591)	(558,041)
Total cash and cash equivalents	661,436	503,209	806,207
Cash and cash equivalents			
Denominated in RMB	175,012	223,341	158,681
Denominated in USD	450,352	215,066	558,256
Denominated in other foreign currencies	36,072	64,802	89,270
Total	661,436	503,209	806,207
Pledged deposits			
Denominated in RMB	38,922	36,004	25,100
Time deposits			
Denominated in USD	43,629	634,591	558,041

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current portion			
Cash and cash equivalents	109,504	89,376	30,330
Cash and cash equivalents			
Denominated in RMB	74,193	86,199	28,991
Denominated in USD	35,311	3,177	1,339
Total	109,504	89,376	30,330

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates.

As at 31 December 2023, 2024 and 30 September 2025, pledged deposits amounting to RMB38,922,000, RMB36,004,000 and RMB25,100,000 (unaudited), respectively, were pledged as collateral for the issuance of bank acceptance notes, letter of credit and performance bond (note 40).

As at 31 December 2023, 2024 and 30 September 2025, the Group assessed the credit risk of cash and cash equivalents, time deposits and pledged deposits to be minimal as they were placed in reputable financial institutions.

28 TRADE AND BILLS PAYABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables	518,019	441,604	433,063
Bills payable	134,433	87,028	113,931
Total	652,452	528,632	546,994

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods and 30 September 2025 is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within one year	636,777	510,302	527,781
1 to 2 years	15,488	16,377	18,639
Over 2 years	187	1,953	574
Total	652,452	528,632	546,994

Trade and bills payables are non-interest-bearing.

As at the end of each of the Relevant Periods and 30 September 2025, the carrying amounts of trade and bills payables approximated to their fair values.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables	13,567	21,135	10,043

An ageing analysis of the trade payables as at the end of each of the Relevant Periods and 30 September 2025 is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within one year	13,567	21,135	10,043

29. CONTRACT LIABILITIES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Advance payments on sales of goods	3,405	3,368	3,100

30. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Government grants received in advance*	32,720	118,380	171,580
Accrued expenses	44,328	65,758	72,931
Payroll and welfare payables	65,927	71,249	57,292
Repurchase obligation recognised under share incentive plan	99,647	50,285	24,431
Payable for acquisition of equity investment	15,025	15,025	15,025
Other taxes payables	7,497	6,445	5,552
Others	19,151	21,909	22,216
Total	284,295	349,051	369,027

* These government grants have been advanced to the Group by the local governments for those relevant projects not yet completing the acceptance by the local governments.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Repurchase obligation recognised under share incentive plan	99,647	50,285	24,431
Payable for acquisition of equity investment	15,025	15,025	15,025
Payroll and welfare payables	7,228	5,939	5,878
Other taxes payables	1,588	2,845	1,840
Others	4,914	2,653	3,291
Total	128,402	76,747	50,465

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayments, except for repurchase obligations recognised under share incentive plan as further set out in note 37.

31. INTEREST BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2023

	Effective interest rate	Maturity year	RMB'000
Current			
Short term bank loans — unsecured	2.56%–3.30%	2024	475,145
Current portion of non-current bank loans — secured	3.10%–3.20%	2024	54,216
Current portion of non-current bank loans — unsecured	2.90%–3.20%	2024	313,910
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2024	4,695
			847,966
Non-current			
Bank loans — secured	3.10%–3.20%	2025–2031	610,492
Bank loans — unsecured	2.90%–3.20%	2025–2026	663,850
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	532,458
			1,806,800
Total			2,654,766

As at 31 December 2024

	Effective interest rate	Maturity year	RMB'000
Current			
Short term bank loans — unsecured	2.40%–2.80%	2025	765,159
Current portion of non-current bank loans — secured	2.40%–2.75%	2025	93,368
Current portion of non-current bank loans — unsecured	2.50%–3.05%	2025	987,378
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2025	6,929
Discounted bills	0.90%–1.04%	2025	23,885
			1,876,719

As at 31 December 2024

	Effective interest rate	Maturity year	RMB'000
Non-current			
Bank loans — secured	2.40%–2.75%	2026–2031	660,931
Bank loans — unsecured	2.55%–3.00%	2026–2029	745,450
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	549,429
			1,955,810
Total			3,832,529

As at 30 September 2025

	Effective interest rate (unaudited)	Maturity year (unaudited)	RMB'000 (unaudited)
Current			
Short term bank loans — unsecured	2.11%–2.55%	2025–2026	873,269
Current portion of non-current bank loans — secured	2.40%–2.43%	2025–2026	107,080
Current portion of non-current bank loans — unsecured	2.30%–3.20%	2025–2026	591,656
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2026	4,028
			1,576,033
Non-current			
Bank loans — secured	3.10%	2026–2031	601,540
Bank loans — unsecured	2.24%–3.20%	2026–2029	1,536,095
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	561,893
			2,699,528
Total			4,275,561

An analysis of the maturity of borrowings is as follows:

	As at 31 December 2023 *RMB'000*	2024 *RMB'000*	As at 30 September 2025 *RMB'000* (unaudited)
Analysed into:			
Bank borrowings repayable:			
Within one year	843,271	1,845,905	1,572,005
In the second year	613,308	778,980	1,192,870
In the third to fifth years, inclusive	465,056	470,525	855,888
Beyond five years	195,978	156,876	88,877
	2,117,613	3,252,286	3,709,640
Convertible bonds:			
Within one year	4,695	6,929	4,028
In the third to fifth years, inclusive	532,458	549,429	561,893
	537,153	556,358	565,921
Discounted bills			
Within one year	—	23,885	—
Total	2,654,766	3,832,529	4,275,561

The Company

As at 31 December 2023

	Effective interest rate	Maturity year	RMB'000
Current			
Short term bank loans — unsecured	2.56%–3.00%	2024	245,000
Current portion of non-current bank loans — unsecured	3.10%–3.20%	2024	259,299
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2024	4,695
			508,994
Non-current			
Bank loans — unsecured	3.05%–3.20%	2025–2026	485,150
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	532,458
			1,017,608
Total			1,526,602

As at 31 December 2024

	Effective interest rate	Maturity year	RMB'000
Current			
Short term bank loans — unsecured	2.40%–2.70%	2025	495,000
Current portion of non-current bank loans — unsecured	2.50%–3.00%	2025	539,430
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2025	6,929
Discounted bills	1.04%	2025	2,300
			1,043,659
Non-current			
Bank loans — unsecured	2.70%–3.00%	2026	566,750
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	549,429
			1,116,179
Total			2,159,838

As at 30 September 2025

	Effective interest rate	Maturity year	RMB'000
	(unaudited)	(unaudited)	(unaudited)
Current			
Short term bank loans — unsecured	2.30%–2.40%	2025–2026	417,030
Current portion of non-current bank loans — unsecured	2.40%–2.45%	2025–2026	430,925
Current portion of convertible bonds *(note 32)*	Weighted average of 4.35%	2026	4,028
			851,983

As at 30 September 2025

	Effective interest rate	Maturity year	RMB'000
	(unaudited)	(unaudited)	(unaudited)
Non-current			
Bank loans — unsecured	2.26%–3.10%	2026–2028	990,250
Convertible bonds *(note 32)*	Weighted average of 4.35%	2027	561,893
			1,552,143
Total			2,404,126

An analysis of the maturity of borrowings is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Analysed into:			
Bank borrowings repayable:			
Within one year	504,299	1,034,430	847,955
In the second year	364,000	566,750	627,750
In the third to fifth years, inclusive	121,150	—	362,500
	989,449	1,601,180	1,838,205
Convertible bonds:			
Within one year	4,695	6,929	4,028
In the third to fifth years, inclusive	532,458	549,429	561,893
	537,153	556,358	565,921
Discounted bills			
Within one year	—	2,300	—
Total	1,526,602	2,159,838	2,404,126

The Group and The Company's bank and other borrowings are all denominated in RMB.

As at 31 December 2023, 2024 and 30 September 2025, the carrying amounts of assets pledged for the bank borrowings are set out in notes 14, 16, 25 and 27 to the Historical Financial Information and the unaudited Interim Financial Information, respectively.

As at 31 December 2023, 2024 and 30 September 2025, certain bank loans amounting to RMB370,250,000.00, RMB375,900,000 and RMB344,350,000 (unaudited), respectively, were pledged by the Group's 70.5% equity interest Kempur and 81.1% equity interest BAE (Beijing), both of which are subsidiaries of the Company.

32. CONVERTIBLE BONDS

The Group and the Company

The Company issued 8,001,800 convertible bonds with a nominal value of RMB100 per unit in 2021. The coupon rates of the bonds is 0.3% for year 1, 0.5% for year 2, 1.0% for year 3, 1.5% for year 4, 1.8% for year 5, and 2.0% for year 6 from the date of issuance. Interest is payable annually on 26 January, and the principal shall be repaid in a lump sum upon maturity together with the final year's interest. The initial conversion price of the convertible bonds issued this time is RMB32.96 per share. The conversion period is from 2 August 2021 to 25 January 2027.

The movement of liability and equity components of convertible bonds as at the end of each of the Relevant Periods and in the period covered by the Interim Financial Information is as follows:

Liability Component

	Year ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of year/period	516,025	537,153	556,358
Interest accredited	23,926	24,756	17,654
Interest paid	(2,682)	(5,365)	(8,044)
Conversion into ordinary A shares	(116)	(186)	(47)
At the end of year/period	537,153	556,358	565,921
Analysed into:			
Current portion *(note 31)*	4,695	6,929	4,028
Non-current portion *(note 31)*	532,458	549,429	561,893

Other Equity Instruments

	Numbers ('000)	Carry amounts
As at 1 January 2023	5,366	55,374
Upon conversion into ordinary shares	(1)	(12)
As at 31 December 2023 and 1 January 2024	5,365	55,362
Upon conversion into ordinary shares	(3)	(18)
As at 31 December 2024 and 1 January 2025	5,362	55,344
Upon conversion into ordinary shares (unaudited)	(3)	(6)
As at 30 September 2025 (unaudited)	5,359	55,338

33. DEFERRED INCOME

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Government grants			
Asset-related grants*	109,439	112,585	117,288
Reimbursement for future expenditures	922	193	804
Total	110,361	112,778	118,092

* The asset-related grants were the subsidies received from the government in relation to the Group's property, plant and equipment.

34. SHARE CAPITAL

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Issued and fully paid:			
Ordinary shares of RMB1.00 each	599,831	599,081	598,955

A summary of movements in the Company's share capital is as follows:

	Notes	Number of shares *('000)*	Share capital *RMB'000*
As at 1 January 2023		596,122	596,122
Repurchase and cancellation of treasury shares	(a)	(1,062)	(1,062)
Restricted shares (as defined in note 37) granted under share incentive plan	(b)	4,768	4,768
Exercise of conversion rights for convertible bonds	(c)	3	3
At 31 December 2023 and 1 January 2024		599,831	599,831
Restricted shares (as defined in note 37) granted under share incentive plan	(d)	237	237
Repurchase and cancellation of treasury shares	(e)	(993)	(993)
Exercise of conversion rights for convertible bonds	(c)	6	6
At 31 December 2024 and 1 January 2025		599,081	599,081
Repurchase and cancellation of treasury shares (unaudited)	(f)	(127)	(127)
Exercise of conversion rights for convertible bonds (unaudited)	(c)	1	1
As at 30 September 2025 (unaudited)		598,955	598,955

Notes:

(a) The Company repurchased and cancelled 1,062,000 restricted shares, resulting in a reduction of share capital and share premium account of RMB1,062,000 and RMB30,022,000, respectively. The repurchased shares have been subsequently cancelled.

(b) The Company issued 4,768,000 shares with a nominal value of RMB1.00 each at an issue price of RMB14.88 per share for a total proceed of RMB70,948,000 and the difference between the nominal value of the shares and the consideration received of RMB66,180,000 was credited to share premium account. Correspondingly, the Group recognised a share repurchase obligation of RMB70,948,000 under the share incentive plan (note 37).

(c) The Company issued shares upon exercise of conversion right of the convertible bonds by the holders.

(d) The Company issued 237,000 shares with a nominal value of RMB1.00 each at an issue price of RMB14.90 per share for total proceeds of RMB3,531,000 and the difference between the nominal value of the shares and the consideration received of RMB3,294,000 was credited to share premium account. Correspondingly, the Group recognised a share repurchase obligation of RMB3,531,000 under the share incentive plan (note 37).

(e) The Company repurchased and cancelled 993,000 restricted shares, resulting in a reduction of share capital and share premium account by RMB993,000 and RMB28,067,000, respectively. The repurchased shares have been subsequently cancelled.

(f) The Company repurchased and cancelled 127,000 restricted shares, resulting in a reduction of share capital and share premium account of RMB127,000 and RMB1,759,000 respectively. The repurchased shares have been subsequently cancelled.

35. TREASURY SHARES

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Treasury shares	100,008	131,521	105,312

A summary of movements in the Company's treasury shares is as follows:

	Notes	Number of treasury shares *('000)*	Treasury shares *RMB'000*
As at 1 January 2023		2,055	60,144
Repurchase and cancellation of treasury shares	34(a)	(1,062)	(31,084)
Restricted shares (as defined in note 37) granted under share incentive plan	34(b)	4,768	70,948
At 31 December 2023 and 1 January 2024		5,761	100,008
Repurchase of ordinary shares	(a)	3,002	80,492
Restricted shares (as defined in note 37) granted under share incentive plan	34(d)	237	3,531
Repurchase and cancellation of treasury shares	34(e)	(993)	(29,060)
Restricted shares vested	(b)	(1,576)	(23,450)
At 31 December 2024 and 1 January 2025		6,431	131,521
Repurchase and cancellation of treasury shares (unaudited)	34(f)	(127)	(1,886)
Restricted shares vested (unaudited)	(b)	(1,635)	(24,323)
As at 30 September 2025 (unaudited)		4,669	105,312

Notes:

(a) The Company repurchased an aggregate of 3,002,000 shares from secondary open market for an aggregate consideration of RMB80,492,000 and recorded as treasury shares.

(b) The vesting condition of the restricted shares was fulfilled and were released to the eligible participant under the share incentive plan. Accordingly, the corresponding repurchase obligation of the Company was derecognized.

36. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods and in the period covered by the Interim Financial Information are presented in the consolidated statements of changes in equity.

(a) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investment designated at fair value through other comprehensive income under IFRS 9 that was held at the end of the Relevant Periods and in the period covered by the Interim Financial Information.

(b) Statutory surplus reserve

In accordance with the Company Laws of Chinese mainland, the Group's companies are required to allocate 10% of their profit after tax to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions, part of the statutory surplus reserve may be converted to capital on the condition that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(c) Capital and other reserve

Capital and other reserve mainly represented the difference between the consideration paid by the Group for acquisition of the share of net asset attributable to non-controlling equity holder, and share of associates' other net assets change (note 19).

(d) Other comprehensive income

Other comprehensive income comprises share of other comprehensive income of the Group's associates.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods and in the period covered by the unaudited Interim Financial Information are presented as follows:

Year ended 31 December 2023

	Share premium *RMB'000*	Share-based payments reserve *RMB'000*	Fair value reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Other comprehensive income *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
As at 1 January 2023	1,174,996	10,346	(6,335)	109,863	(7,755)	184,797	1,465,912
Profit for the year	—	—	—	—	—	671,192	671,192
Other comprehensive income for the year:							
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	(13,709)	—	—	—	(13,709)
Share of other comprehensive income of an associate	—	—	—	—	11,103	—	11,103

	Share premium *RMB'000*	Share-based payments reserve *RMB'000*	Fair value reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Other comprehensive income *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
Total comprehensive income for the year	—	—	(13,709)	—	11,103	671,192	668,586
Restricted shares (as defined in note 37) granted under share incentive plan	66,180	—	—	—	—	—	66,180
Exercise of conversion rights for convertible bonds	125	—	—	—	—	—	125
Repurchase and cancellation of treasury shares	(30,022)	—	—	—	—	—	(30,022)
Share-based payments	—	3,814	—	—	—	—	3,814
Appropriation of statutory surplus reserve	—	—	—	67,119	—	(67,119)	—
Dividend declared	—	—	—	—	—	(47,525)	(47,525)
As at 31 December 2023	1,211,279	14,160	(20,044)	176,982	3,348	741,345	2,127,070

Year ended 31 December 2024

	Share premium *RMB'000*	Share-based payments reserve *RMB'000*	Fair value reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Capital and other reserve *RMB'000*	Other comprehensive income *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
As at 1 January 2024	1,211,279	14,160	(20,044)	176,982	—	3,348	741,345	2,127,070
Profit for the year	—	—	—	—	—	—	414,482	414,482
Other comprehensive income for the year:								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	2,887	—	—	—	—	2,887
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	—	—	(4,600)	460	—	—	4,140	—
Share of other comprehensive income of an associate	—	—	—	—	—	7,810	—	7,810
Total comprehensive income for the year	—	—	(1,713)	460	—	7,810	418,622	425,179
Restricted shares (as defined in note 37) granted under share incentive plan	3,294	—	—	—	—	—	—	3,294
Repurchase and cancellation of treasury shares	(28,067)	—	—	—	—	—	—	(28,067)
Exercise of conversion rights for convertible bonds	198	—	—	—	—	—	—	198
Restricted shares vested	25,279	(25,279)	—	—	—	—	—	—
Share-based payments	—	40,995	—	—	—	—	—	40,995
Appropriation of statutory surplus reserve	—	—	—	41,448	—	—	(41,448)	—
Dividend declared	—	—	—	—	—	—	(501,420)	(501,420)
Other	—	—	—	—	10,040	—	—	10,040
As at 31 December 2024	1,211,983	29,876	(21,757)	218,890	10,040	11,158	617,099	2,077,289

Nine months ended 30 September 2025 (unaudited)

	Share premium *RMB'000* (unaudited)	Share-based payments reserve *RMB'000* (unaudited)	Fair value reserve *RMB'000* (unaudited)	Statutory surplus reserve *RMB'000* (unaudited)	Capital and other reserve *RMB'000* (unaudited)	Other comprehensive income *RMB'000* (unaudited)	Retained profits *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
As at 1 January 2025	1,211,983	29,876	(21,757)	218,890	10,040	11,158	617,099	2,077,289
Profit for the period	—	—	—	—	—	—	267,841	267,841
Other comprehensive income for the period:								
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	—	—	(3,715)	—	—	—	3,715	—
Share of other comprehensive income of an associate	—	—	—	—	—	24,273	—	24,273
Total comprehensive income for the period	—	—	(3,715)	—	—	24,273	271,556	292,114
Repurchase and cancellation of treasury shares	(1,759)	—	—	—	—	—	—	(1,759)
Exercise of conversion rights for convertible bonds	52	—	—	—	—	—	—	52
Restricted shares vested	24,323	(24,323)	—	—	—	—	—	—
Share-based payments	—	14,826	—	—	—	—	—	14,826
Share of associate's other net assets change *(note 19)*	—	—	—	—	127,904	—	—	127,904
Dividend declared	—	—	—	—	—	—	(297,998)	(297,998)
As at 30 September 2025	1,234,599	20,379	(25,472)	218,890	137,944	35,431	590,657	2,212,428

37. SHARE-BASED PAYMENTS

2021 Restricted Share Incentive Plan

In 2021, a restricted share incentive plan was approved by the Company's shareholder for those eligible participants including directors, senior management (excluding independent directors), and core personnel of the Group who had a direct impact on or had made outstanding contributions to the Group's business and ongoing development (the "2021 Restricted Share Incentive Plan"). The Company implemented share incentive plan by issuing new shares, The shares issued to eligible participants were restricted to be transferred during the vesting periods "restricted shares").

The restricted shares granted under 2021 Restricted Share Incentive Plan consists two tranches which included an initial grant portion and a reserved portion and their respective vesting conditions were as follows:

Initial portion:

— First vesting period: on the basis of the Group's revenue derived in year 2020, the revenue growth in year 2021 should be no less than 20%.

— Second vesting period: on the basis of the Group's revenue derived in year 2020, the revenue growth in year 2022 should be no less than 60%.

— Third vesting period: on the basis of the Group's revenue derived in year 2020, the revenue growth in year 2023 should be no less than 110%.

Reserve portion:

— First vesting period: on the basis of the Group's revenue derived in year 2020, the revenue growth in year 2022 should be no less than 60%.

— Second vesting period on the basis of the Group's revenue derived in year 2020, the revenue growth in year 2023 should be no less than 110%.

The Company is required to repurchase the restricted shares granted at the original subscription price plus interest with applicable bank deposit rate for the period of restricted shares granted should the eligible participants fail to fulfill the vesting and performance condition.

The initial portion of restricted shares granted to eligible participants under the 2021 Restricted Share Incentive Plan are set out below. The difference between the fair value of the shares granted and the subscription price was recognised in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss.

Grant date	Number of shares granted	Subscription price *RMB per share*	Fair values on the grant date *RMB per share*
17 September 2021	3,095,000	29.26	23.74

The fair value of the shares granted was determined on the basis of open market value at the grant date in Shanghai Stock Exchange.

The reserved portion of the shares had not been granted during the Relevant Periods upon the cancellation of the 2021 Share Incentive Plan in 2024.

The Group failed to fulfil the vesting conditions for the third vesting period, share-based payment expense of RMB10,547,000 was reversed in profit or loss during year ended 31 December 2023.

In 2024, the 2021 Share Incentive Plan was cancelled.

2023 Restricted Share Incentive Plan

In 2023, a restricted share incentive plan was approved by the Company's shareholder for those eligible participants including directors, senior management (excluding independent directors), and core personnel of the Group who had a direct impact on or had made outstanding contributions to the Group's business and ongoing development (the 2023 Restricted Share Incentive Plan"). The Company implemented share incentive plan by issuing new shares, The shares issued to eligible participants were restricted to be transferred during the vesting periods"restricted shares").

The restricted shares granted under 2023 Restricted Share Incentive Plan consists two tranches which included an initial grant portion and a reserved portion and their respective vesting conditions were as follows:

Initial portion:

— First vesting period: on the basis of the Group's revenue or net profit derived in year 2022, the revenue growth in year 2023 should be no less than 10% or the net profit growth should be no less than 15%.

— Second vesting period: on the basis of the Group's revenue or net profit derived in year 2022, the revenue growth in year 2024 should be no less than 20% or the net profit growth should be no less than 30%.

— Third vesting period: on the basis of the Group's revenue or net profit derived in year 2022, the revenue growth in year 2025 should be no less than 30% or the net profit growth should be no less than 45%.

Reserve portion:

— First vesting period: on the basis of the Group's revenue or net profit derived in year 2022, the revenue growth in year 2024 should be no less than 20% or the net profit growth should be no less than 30%.

— Second vesting period:on the basis of the Group's revenue or net profit derived in year 2022, the revenue growth in year 2025 should be no less than 30% or the net profit growth should be no less than 45%.

The Company is required to repurchase the restricted shares granted at the original subscription price plus interest with applicable bank deposit rate for the period of restricted shares granted should the eligible participants fail to fulfill the vesting and performance condition.

The initial portion and the reserve portion of restricted shares granted to eligible participants under the 2023 Restricted Share Incentive Plan are set out below. The difference between the fair value of the shares granted and the subscription price was recognised in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss.

	Grant date	Number of shares granted	Subscription price *RMB per share*	Fair values on the grant date *RMB per share*
Initially portion	13 September 2023	4,768,000	14.88	16.98
Reserved portion	17 July 2024	237,000	14.90	13.95

The fair value of the shares granted was determined on the basis of open market value at the grant date in Shanghai Stock Exchange.

During the years ended 31 December 2023, 2024 and the nine months ended 30 September 2024 and 2025, share-based payment expenses of RMB14,911,000, RMB43,100,000, RMB33,089,000 (unaudited) and RMB14,826,000 (unaudited) under 2023 Restricted Share Incentive Plan were charged to the profit or loss.

The following shares granted under the above-mentioned plans were outstanding during the Relevant Periods and in the period covered by the Interim Financial Information:

	2021 Restricted Share Incentive Plan (number of restricted shares) *('000)*	2023 Restricted Share Incentive Plan (number of restricted shares) *('000)*
Outstanding as at 1 January 2023	2,055	—
Granted during the year	—	4,768
Forfeited during the year	(1,062)	—
Outstanding as at 31 December 2023 and 1 January 2024	993	4,768
Granted during the year	—	237
Forfeited during the year	(993)	—
Exercised during the year	—	(1,576)
Outstanding as at 31 December 2024 and 1 January 2025	—	3,429
Forfeited during the period (unaudited)	—	(127)
Exercised during the period (unaudited)	—	(1,635)
Outstanding as at 30 September 2025	—	1,667

38. DISPOSAL OF A SUBSIDIARY

During 2023, the Group disposed of its 100% equity interest in 天津北旭新材料有限公司 (Tianjin Beixu New Materials Co., Ltd. ("Tianjin Beixu")) for a cash consideration of RMB20,000,000.

The carrying amount of the assets and liabilities on the date of disposal were as follows:

	Tianjin Beixu *RMB'000*
Non-current assets	13,179
Current assets	19,048
Current liabilities	5,011
Net assets disposed of	27,216
Losses on disposal of a subsidiary *(note 7)*	(7,216)
Total consideration	20,000
Satisfied by cash	20,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	RMB'000
Cash consideration	20,000
Cash and bank balances disposed of	(1,859)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	18,141

39. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and the nine months ended 30 September 2025, the Group had non-cash additions to right-of-use assets of RMB57,545,000, RMB6,948,000 and Nil (unaudited) and non-cash additions to lease liabilities of RMB57,545,000, RMB6,948,000 and Nil (unaudited) respectively, in respect of lease arrangements for buildings and machinery.

(b) Changes in liabilities arising from financing activities

	Interest bearing bank and other borrowings *RMB'000*	**Lease liabilities** *RMB'000*	**Other payables — Repurchase liabilities for treasury shares issued under share incentive plan** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023	2,554,832	7,202	58,166	2,620,200
Changes from financing cash flows	1,937	(7,306)	40,454	35,085
New leases *(note 16(b))*	—	57,545	—	57,545
Interest expense *(note 8)*	97,997	943	1,027	99,967
As at 31 December 2023 and 1 January 2024	2,654,766	58,384	99,647	2,812,797
Changes from financing cash flows	1,073,642	(12,710)	(26,704)	1,034,228
Restricted shares vested	—	—	(23,450)	(23,450)
New leases *(note 16(b))*	—	6,948	—	6,948
Interest expense *(note 8)*	104,121	2,475	792	107,388

	Interest bearing bank and other borrowings *RMB'000*	Lease liabilities *RMB'000*	Other payables — Repurchase liabilities for treasury shares issued under share incentive plan *RMB'000*	Total *RMB'000*
As at 31 December 2024 and 1 January 2025	3,832,529	55,097	50,285	3,937,911
Changes from financing cash flows (unaudited)	361,463	(9,140)	(1,531)	350,792
Restricted shares vested (unaudited)	—	—	(24,323)	(24,323)
Interest expense *(note 8)* (unaudited)	81,569	2,872	—	84,441
At 30 September 2025	4,275,561	48,829	24,431	4,348,821

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Within operating activities	6,471	8,084	4,991
Within financing activities	7,306	13,725	9,140
Total	13,777	21,809	14,131

40. PLEDGE OF ASSETS

Details of the Group's assets pledged as collateral for the Group's bank borrowings, as well as for the issuance of bank acceptance bills, are included in notes 14, 16, 25, 27 and 31 to the Historical Financial Information and the unaudited Interim Financial Information, respectively.

41. COMMITMENTS

The Group had the following contractual commitments at the end of the each of Relevant Periods and 30 September 2025:

	As at 31 December		As at 30 September
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000* (unaudited)
Contracted, but not provided for:			
Capital commitment	90,805	—	—
Property plant and equipment	86,736	124,175	140,959

42. CONTINGENT LIABILITIES

As of the end of each of the Relevant Periods and 30 September 2025, the Group did not have any material contingent liabilities.

43. RELATED PARTY TRANSACTIONS

The Group

The directors are of the opinion that the following parties are related parties that had material transactions or balances with the Group during the Relevant Periods and in the period covered by the Interim Financial Information.

(a) Names of related parties and their relationship with the Group

Name	Relationship with the Group
RED AVENUE INVESTMENT GROUP LIMITED	The holding company of the Company
Zhongce Rubber	An associate
Prinx Chengshan	An associate

(b) Transactions with related parties

The following transactions and balances were carried out between the Group and its related parties during the Relevant Periods and in the period covered by the Interim Financial Information. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and on terms negotiated between the Group and the respective related parties. The Group has the following transactions with related parties:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Sales of goods				
Zhongce Rubber	333,107	382,584	281,576	268,742
Prinx Chengshan	NA *(note (1))*	34,888	23,869	30,931
Total	333,107	417,472	305,445	299,673

Note:

(1) Prinx Chengshan became an associate of the Group since 28 March 2024.

(c) Outstanding balances with related parties:

	As at 31 December				As at 30 September	
	2023	2023	2024	2024	2025	2025
	Balance	Allowance	Balance	Allowance	Balance	Allowance
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Due from related companies						
Trade receivables						
Zhongce Rubber	100,497	352	127,801	630	114,966	126
Prinx Chengshan	NA	NA	18,055	90	15,789	26
	100,497	352	145,856	720	130,755	152

Trade receivables due from associates are repayable on credit terms similar to those offered to the major customers of the Group.

Outstanding balances with related companies are unsecured, non-interest-bearing and repayments on demand.

(d) Compensation of key management personnel of the Group

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Fees	360	360	270	270
Salaries, bonuses, allowances and benefits in kind	15,457	15,484	7,285	7,370
Performance related bonuses	1,932	1,297	787	787
Share-based payments	580	5,076	2,411	1,305
Pension scheme contributions and social welfare	1,716	1,728	852	777
Total	20,045	23,945	11,605	10,509

Further details of directors' and the chief executive's emoluments are included in note 9 to the Historical Financial Information and the unaudited Interim Financial Information.

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods and 30 September 2025 are as follows:

The Group

As at 31 December 2023

Financial assets

		Financial assets at fair value through other comprehensive income			
	Financial assets at fair value through profit or loss	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	75,456	—	75,456
Financial assets at fair value through profit or loss	253,308	—	—	—	253,308
Trade and bills receivables	—	329,892	—	678,849	1,008,741
Due from related companies	—	—	—	100,145	100,145
Financial assets included prepayments, other receivables and other assets	—	—	—	35,565	35,565
Time deposits	—	—	—	43,629	43,629
Pledged deposits	—	—	—	38,922	38,922
Cash and cash equivalents	—	—	—	661,436	661,436
Total	253,308	329,892	75,456	1,558,546	2,217,202

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Trade and bills payables	652,452
Financial liabilities included in other payables and accruals	210,347
Interest-bearing bank and other borrowings	2,654,766
Total	3,517,565

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss *RMB'000*	**Financial assets at fair value through other comprehensive income**		**Financial assets at amortised cost** *RMB'000*	**Total** *RMB'000*
		Debt investments *RMB'000*	**Equity investments** *RMB'000*		
Equity investments designated at fair value through other comprehensive income	—	—	45,412	—	45,412
Financial assets at fair value through profit or loss	128,634	—	—	—	128,634
Trade and bills receivables	—	318,724	—	746,200	1,064,924
Due from related companies	—	—	—	145,136	145,136
Financial assets included prepayments, other receivables and other assets	—	—	—	16,862	16,862
Time deposits	—	—	—	634,591	634,591
Pledged deposits	—	—	—	36,004	36,004
Cash and cash equivalents	—	—	—	503,209	503,209
Total	128,634	318,724	45,412	2,082,002	2,574,772

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Trade and bills payables	528,632
Financial liabilities included in other payables and accruals	270,823
Interest-bearing bank and other borrowings	3,832,529
Total	4,631,984

As at 30 September (unaudited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		Debt investments	Equity investments		
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Equity investments designated at fair value through other comprehensive income	—	—	31,697	—	31,697
Financial assets at fair value through profit or loss	128,634	—	—	—	128,634
Trade and bills receivables	—	322,590	—	811,210	1,133,800
Due from related companies	—	—	—	130,603	130,603
Financial assets included prepayments, other receivables and other assets	—	—	—	20,023	20,023
Time deposits	—	—	—	558,041	558,041
Pledged deposits	—	—	—	25,100	25,100
Cash and cash equivalents	—	—	—	806,207	806,207
Total	128,634	322,590	31,697	2,351,184	2,834,105

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000 (unaudited)
Trade and bills payables	546,994
Financial liabilities included in other payables and accruals	305,807
Interest-bearing bank and other borrowings	4,275,561
Total	5,128,362

45. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that were derecognised entirety

During the Relevant Periods and in the period covered by the Interim Financial Information, the Group endorsed certain bank acceptance notes to certain suppliers in order to settle the trade payables due to such suppliers and discounted certain bank acceptance bills with commercial banks in Chinese mainland (collectively, the "Derecognised Bills") with carrying amounts in aggregate of RMB350,562,000, RMB379,518,000, RMB363,897,000 (unaudited) as at 31 December 2023, 2024 and 30 September 2025, respectively. The Derecognised Bills had a maturity ranging from 1 to 12 months at the end of each Relevant Periods and in the period covered by the Interim Financial Information. In accordance with the Law of Negotiable Instruments of Chinese mainland, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons/entities who are liable for the Derecognised Bills, including the Group, regardless of the order of precedence (the "Continuing Involvement"). In the opinion of the Company's directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks, therefore, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised

Bills and the undiscounted cash flows to repurchase these Derecognised Bills is their carrying amounts. In the opinion of the Company's directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Transferred financial assets that are not derecognised in their entirety

During the Relevant Periods and in the period covered by the Interim Financial Information, the Group endorsed certain bank acceptance notes to certain suppliers in order to settle the trade payables due to such suppliers and discounted certain bank acceptance bills with commercial banks in Chinese mainland (collectively, the "Endorsed Bills"). In the opinion of the Company's directors, the Group has retained substantially the risks and rewards, which include the default risks relating to those Endorsed Bills, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group has not retained any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills as at the year ended 31 December 2023, 2024 and 30 September 2025 to which the suppliers have recourse were RMB151,296,000, RMB207,621,000 and RMB178,618,000 (unaudited), respectively.

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, pledged deposits, trade and bills receivables at amortised cost, due from related companies, trade and bills payables, financial assets included in prepayments, other receivables, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit and loss, trade and bills payables, financial liabilities included in other payables and accruals, short-term interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The non-current portion of interest-bearing bank and other borrowings approximates to their carrying amounts mainly due to the floating interest rate. For non-current portion of interest-bearing bank and other borrowings with fixed interest rate, the fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk as at the end of each of the Relevant Periods and in the period covered by the Interim Financial Information were assessed to be insignificant. Thereby the fair values of the non-current portion of interest-bearing bank borrowings with fixed rate approximate to their carrying amounts.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the Group's finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the bills receivable classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivable will mature within six months, and thus their fair values approximate to their carrying values.

The Group invests in financial investments at fair value through profit or loss, which represent equity investment listed in Hong Kong Stock Exchange. The Group has estimated the fair value of this equity investment based on quoted market prices at the end of each of the Relevant Periods and 30 September 2025.

The fair values of unlisted equity investments measured at fair value through other comprehensive income or unlisted equity investments and unlisted fund measured at fair value through profit and loss have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments and unlisted funds to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit and loss, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods and 30 September 2025.

Based on the specific facts and circumstances of the Group, the Group adopted the estimated recoverable amount to determine unlisted equity investments.

For the fair value of the unlisted equity investments at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods and 30 September 2025:

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Equity investments designated at fair value through other comprehensive income				
Unlisted investments	Market approach	Discounts for lack of marketability ("DLOM")	31 December 2023: 22.00%–26.23%	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB49,000.
			31 December 2024: 19.00%–28.22%	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB60,000.
			30 September 2025: 25.24% (unaudited)	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB52,000.

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss				
Unlisted investments	Market approach	Discounts for lack of marketability ("DLOM")	31 December 2023: 13.38%	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB90,000.
			31 December 2024: 16.42%–33.47%	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB2,019,000.
			30 September 2025: 19.30%–26.96% (unaudited)	1% increase or decrease in Dlom would result in increase or decrease in fair value by RMB1,922,000.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	**Significant observable inputs (Level 2)** *RMB'000*	**Significant unobservable inputs (Level 3)** *RMB'000*	**Total** *RMB'000*
Financial assets				
Bills receivables measured at fair value through other comprehensive income	—	329,892	—	329,892
Equity investments designated at fair value through other comprehensive income	—	45,113	30,343	75,456
Financial assets at fair value through profit or loss	143,736	—	109,572	253,308
Total	143,736	375,005	139,915	658,656

As at 31 December 2024

	Fair value measurement using		
	Significant observable inputs (Level 2)	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Bills receivables measured at fair value through other comprehensive income	318,724	—	318,724
Equity investments designated at fair value through other comprehensive income	13,715	31,697	45,412
Financial assets at fair value through profit or loss	—	128,634	128,634
Total	332,439	160,331	492,770

As at 30 September 2025 (unaudited)

	Significant observable inputs (Level 2)	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Financial assets			
Bills receivables measured at fair value through other comprehensive income	322,590	—	322,590
Equity investments designated at fair value through other comprehensive income	—	31,697	31,697
Financial assets at fair value through profit or loss	—	128,634	128,634
Total	322,590	160,331	482,921

In 2023, the equity in Xingda Steel Tyre held by the Group was converted from Level 3 to Level 2 of fair value measurement because it had a specific recoverable amount, except which, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets during the Relevant Periods and in the period covered by the Interim Financial Information.

The movements in fair value measurements within Level 3 during the Relevant Periods and in the period covered by the Interim Financial Information are as follows:

	As at 31 December		**As at 30 September**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Financial assets at fair value through profit or loss:			
At the beginning of the year/period	105,004	109,572	128,634
Total gains/(losses) recognised in profit or loss	4,568	(10,938)	—
Purchases	—	30,000	—
At the end of the year/period	109,572	128,634	128,634

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Equity investments designated at fair value through other comprehensive income:			
At the beginning of the year/period	78,710	30,343	31,697
Total (losses)/gains recognised in other comprehensive income	(25,874)	1,354	—
Purchases	15,025	—	—
Transfer to Level 2	(37,518)	—	—
At the end of the year/period	30,343	31,697	31,697

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, pledged deposits, trade and bills receivables, due from related companies, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit and loss, trade and bills payables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, interest bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

If the interest rate of bank borrowings had increased/decreased by 50 basis points and all other variables were held constant, the profit after tax of the Group, through the impact on floating rate borrowings, would have decreased/increased by approximately RMB8,249,000, RMB5,728,000 and RMB10,334,000 (unaudited) for the years ended 31 December 2023, 2024 and nine months ended 30 September 2025 respectively and the Group's total equity would have decreased/increased by RMB8,249,000, RMB5,728,000 and RMB13,631,000 (unaudited), respectively. This is mainly attributable to the Group's exposure to variable interest rates on its bank loans.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods and 30 September 2025 to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss after tax (due to changes in the translated value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in profit after tax *RMB'000*
Year ended 31 December 2023		
If RMB strengthens against USD	10	(21,119)
If RMB weakens against USD	(10)	21,119
Year ended 31 December 2024		
If RMB strengthens against USD	10	(31,461)
If RMB weakens against USD	(10)	31,461
Nine months ended 30 September2025 (unaudited)		
If RMB strengthens against USD (unaudited)	10	(18,463)
If RMB weakens against USD (unaudited)	(10)	18,463

Credit risk

The Group trades only with recognised and creditworthy parties. It is the 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. For transactions that are not denominated in the functional currency of the relevant entities, the Group does not offer credit terms without specific verification procedures.

Maximum exposure and year/period-end staging as at 31 December 2023, 2024 and 30 September 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period -end staging classification as at the end of each of the Relevant Periods and 30 September 2025.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	**Stage 2** *RMB'000*	**Stage 3** *RMB'000*	**Simplified approach** *RMB'000*	**Total** *RMB'000*
Trade and bills receivables*	—	—	—	691,025	691,025
Due from related companies	—	—	—	100,497	100,497
Financial assets included in prepayments, other receivables and other assets					
— Normal**	46,294	400	—	—	46,694
— Doubtful**	—	—	11,010	—	11,010
Pledged deposits					
— Not yet past due	38,922	—	—	—	38,922
Time deposits					
— Not yet past due	43,629	—	—	—	43,629
Cash and cash equivalents					
— Not yet past due	661,436	—	—	—	661,436
Total	790,281	400	11,010	791,522	1,593,213

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	758,186	758,186
Due from related companies	—	—	—	145,856	145,856
Financial assets included in prepayments, other receivables and other assets					
— Normal**	27,581	687	—	—	28,268
— Doubtful**	—	—	11,010	—	11,010
Pledged deposits					
— Not yet past due	36,004	—	—	—	36,004
Time deposits					
— Not yet past due	634,591	—	—	—	634,591
Cash and cash equivalents					
— Not yet past due	503,209	—	—	—	503,209
Total	1,201,385	687	11,010	904,042	2,117,124

As at 30 September 2025 (unaudited)

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Trade and bills receivables*	—	—	—	823,284	823,284
Due from related companies	—	—	—	130,755	130,755
Financial assets included in prepayments, other receivables and other assets					
— Normal**	30,743	687	—	—	31,430
— Doubtful**	—	—	11,010	—	11,010
Pledged deposits					
— Not yet past due	25,100	—	—	—	25,100
Time deposits					
— Not yet past due	558,041	—	—	—	558,041
Cash and cash equivalents					
— Not yet past due	806,207	—	—	—	806,207
Total	1,420,091	687	11,010	954,039	2,385,827

* For trade and bills receivables at amortised cost to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the Historical Financial Information and the unaudited Interim Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As at 31 December 2023, 2024 and 30 September 2025, the Group had certain concentrations of credit risk as 4.93%, 7.59% and 9.31% (unaudited) of the Group's trade and bills receivables were due from the Group's largest customer, 28.95%, 35.72% and 33.81% (unaudited) of the Group's trade and bills receivables and contract assets were due from five largest customers, respectively.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and other available sources of financing.

The maturity profile of the Group's financial liabilities as at the end of the each of the Relevant Periods and 30 September 2025, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023			
	Within 1 year or on demand *RMB'000*	**1 to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Trade and bills payables	652,452	—	—	652,452
Financial liabilities included in other payables and accruals	210,347	—	—	210,347
Interest bearing bank and other borrowings	904,851	1,753,602	204,547	2,863,000
Lease liabilities	8,244	39,735	10,405	58,384
Total	1,775,894	1,793,337	214,952	3,784,183

	As at 31 December 2024			
	Within 1 year or on demand *RMB'000*	**1 to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Trade and bills payables	528,632	—	—	528,632
Financial liabilities included in other payables and accruals	270,823	—	—	271,357
Interest bearing bank and other borrowings	1,947,136	1,906,845	161,290	4,015,271
Lease liabilities	9,616	36,761	2,748	49,125
Total	2,756,207	1,943,606	164,038	4,863,851

	As at 30 September 2025			
	Within 1 year or on demand *RMB'000* (unaudited)	**1 to5 years** *RMB'000* (unaudited)	**Over 5 years** *RMB'000* (unaudited)	**Total** *RMB'000* (unaudited)
Trade and bills payables	546,994	—	—	546,994
Financial liabilities included in other payables and accruals	305,807	—	—	305,807
Interest bearing bank and other borrowings	1,655,218	2,767,254	90,743	4,513,215
Lease liabilities	9,721	30,921	2,325	42,967
Total	2,517,740	2,798,175	93,068	5,408,983

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods and in the period covered by the Interim Financial Information.

The asset-liability ratios as at the end of each of the Relevant Periods and 30 September 2025 were as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Total liabilities	3,829,009	4,949,797	5,427,463
Total assets	7,333,905	8,409,127	9,196,381
Gearing ratios	52%	59%	59%

48. EVENTS AFTER THE RELEVANT PERIODS

Early redemption of convertible bond

Due to the Company's share price remaining not lower than 130% of the conversion price for 15 consecutive working days, the conditional redemption clause of the Company's convertible bond has been triggered. Accordingly, the Company exercised the early redemption right to the convertible bond and redeem all the convertible bond at the principal amount with interest accredited. On 14 November 2025, the Company's convertible bond was delisted.

Acquisition of non-controlling interests

In December 2025, the Group acquired the remaining 18.86% equity interest in BAE (Beijing) from non-controlling equity holder and for a cash consideration of RMB132,059,000. Accordingly, BAE (Beijing) has become a wholly-owned subsidiary.

49. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 September 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This appendix sets out a summary of the laws and regulations governing Chinese companies and securities, the material differences between the Company Law of the People's Republic of China (《公司法》), the Companies (Winding-up and Miscellaneous Provisions) Ordinance (《公司(清盤及雜項條文)條例》) and the Companies Ordinance (《公司條例》), as well as the additional regulatory requirements imposed by the Stock Exchange on Chinese joint stock limited companies. The main purpose of this summary is to provide potential **[REDACTED]** with an overview of the main laws and regulations applicable to our company. This summary is not intended to set out all information that may be important to potential **[REDACTED]**. For more information on the laws and regulations specifically governing our company's business, please refer to the "Regulatory Overview" section of this document.

THE PRC LEGAL SYSTEM

Based on the Constitution of the People's Republic of China (《中華人民共和國憲法》) (the "**Constitution**"), the PRC legal system consists of statutory laws, administrative regulations, local regulations, separate regulations, autonomous regulations, department rules, local government rules, international treaties concluded by the PRC government, and other normative documents. Court judgments do not constitute binding precedents; however, they serve as judicial reference and guidance.

In accordance with the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》) (the "**Legislation Law**"), which was most recently revised by the National People's Congress on 13 March 2023 and came into effect on 15 March 2023, the National People's Congress and its Standing Committee shall exercise the legislative power of the state. The National People's Congress shall develop and amend the basic laws on criminal matters, civil matters, and state authorities, among others. The Standing Committee of the National People's Congress shall develop and amend laws other than those developed by the National People's Congress; and when the National People's Congress is not in session, partially supplement and amend laws developed by the National People's Congress, provided that the basic principles in such laws are not violated.

The State Council of the People's Republic of China is the highest state administrative organ. It shall exercise the power to formulate administrative regulations in accordance with the Constitution and the law. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government and their standing committees may, provided there is no conflict with the Constitution, laws or administrative regulations, formulate local regulations based on the specific circumstances and actual needs of their respective administrative regions. The people's congresses of cities divided into districts and their standing committees may, based on the specific conditions and actual requirements of their cities, formulate local regulations on matters such as urban and rural development and management, environmental protection, and the protection of historical and cultural relics, provided there is no conflict with the Constitution, laws or administrative regulations, or with the local regulations of their province or autonomous region. Where laws stipulate otherwise regarding the matters for which cities divided into districts may formulate local regulations, such legal provisions shall prevail. The local regulations formulated by cities divided into districts shall enter into force upon approval.

The standing committees of the people's congresses of the provinces or autonomous regions shall review the legality of the local regulations submitted for approval, and shall approve them within four months if these regulations are found in no contravention of the Constitution, laws, administrative regulations, or the local regulations of their respective provinces or autonomous regions. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnic group(s). The ministries and commissions under the State Council, the People's Bank of China, the National Audit Office, and authorities directly under the State Council with administrative functions, may formulate rules within the scope of their respective authorities in accordance with laws and the State Council's administrative regulations, decisions, and orders.

The Constitution of the People's Republic of China has supreme legal force. No laws, administrative regulations, local regulations, autonomous regulations, separate regulations or rules shall be in conflict with the Constitution. Laws are superior to administrative regulations, local regulations, and rules. Administrative regulations are superior to local regulations and rules. Rules formulated by the people's governments of the provinces or autonomous regions are superior to rules formulated by the people's governments of cities divided into districts and autonomous prefectures within the administrative regions of the provinces or autonomous regions.

The National People's Congress has the authority to modify or annul any inappropriate law formulated by its Standing Committee, and to annul any autonomous regulation or separate regulation approved by its Standing Committee that contravenes the Constitution or the Legislation Law. The Standing Committee of the National People's Congress has the authority to annul any administrative regulation that contravenes the Constitution or laws, to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government that contravenes the Constitution or the Legislation Law. The State Council has the authority to modify or annul any inappropriate departmental rule and local government rule. The people's congress of a province, an autonomous region or a municipality directly under the Central Government has the authority to modify or annul any inappropriate local regulation formulated or approved by its standing committee. The standing committee of a local people' s congress has the authority to annul any inappropriate rule formulated by the people's government at the same level. The people's government of a province or an autonomous region has the authority to modify or annul any inappropriate rule formulated by people's governments at the next lower level.

In accordance with the Constitution and the Legislation Law, the power of legal interpretation belongs to the Standing Committee of the National People's Congress. In accordance with the Resolution of the Standing Committee of the National People's Congress on Strengthening Legal Interpretation Work (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》), adopted and effective on 10 June 1981, where any provisions of laws and decrees require further clarification or supplementary provisions, the Standing Committee of the National People's Congress shall issue interpretations or formulate such supplementary provisions by statutes. The Supreme People's Court shall make interpretations on issues concerning specific application of laws and decrees in the judicial work of the people's courts. The Supreme People's Procuratorate shall make

interpretations on issues concerning specific application of laws and decrees in procuratorial work of the people's procuratorates. If there are fundamental differences between the interpretations of the Supreme People's Court and the Supreme People's Procuratorate, the matter shall be submitted to the Standing Committee of the National People's Congress for interpretation or decision. Issues concerning the specific application of other laws and regulations that do not fall within the scope of judicial and procuratorial work shall be interpreted by the State Council and its competent departments.

Where the provisions of local regulations require further definition or supplementary provisions, the Standing Committee of the People's Congress of the province, autonomous region, or municipality directly under the Central Government that formulated such regulations shall make interpretation or formulate supplementary provisions. Interpretations concerning the specific application of local regulations shall be the responsibility of the competent departments of the people's government of the province, autonomous region, or municipality directly under the Central Government.

PRC JUDICIAL SYSTEM

In accordance with the Constitution and the Organic Law of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》), which was most recently revised by the Standing Committee of the National People's Congress on 26 October 2018 and came into effect on 1 January 2019, the people's courts consist of the Supreme People's Court, local people's courts at various levels and special people's courts. Local people's courts are divided into three levels: basic people's courts, intermediate people's courts, and higher people's courts. A basic people's court may set up a number of people's tribunals according to the conditions of the locality, population and cases. The Supreme People's Court is the highest judicial organ of the state. The Supreme People's Court supervises the administration of justice by the local people's courts at various levels and by the special people's courts, and higher people's courts supervise the administration of justice by people's courts at lower levels.

In accordance with the Constitution and the Organic Law of the People's Procuratorates of the People's Republic of China (《中華人民共和國人民檢察院組織法》), which was most recently revised by the Standing Committee of the National People's Congress on 26 October 2018, and came into effect on 1 January 2019, the people's procuratorates are legal supervision organs of the state. The Supreme People's Procuratorate is the highest procuratorial organ of the state. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and the special people's procuratorates; and the people's procuratorates at higher levels shall direct the work of people's procuratorates at lower levels.

The people's courts shall adopt the system of "two trials and the second one is final". The second-instance judgments or rulings of the people's courts shall be final. If a party disagrees with a ruling made by a local people's court of first instance, the party may file an appeal on the ruling. A people's procuratorate may file a protest with the people's court at higher level in accordance with the procedures prescribed by law. If the parties do not file an appeal and the people's procuratorate does not file a protest within the specified time limit, the judgment or ruling of a people's court shall be final. The second-instance judgments and rulings of intermediate people's courts, higher people's courts, and the Supreme People's Court, as well as the first-instance judgments and rulings of the Supreme People's Court, shall be final. However, if the Supreme People's Court or a people's court at

a higher level finds some definite errors in a final and legally effective judgment or ruling rendered by a people's court at a lower level, or if the president of a people's court at any level finds some definite errors in a final and legally effective judgment or ruling rendered by that court, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), most recently revised by the Standing Committee of the National People's Congress on 1 September 2023, and effective as of 1 January 2024, stipulates the requirements for filing a civil lawsuit, the jurisdiction of the People's Courts, the procedures to be followed in civil actions, and the procedures for enforcing civil judgments or orders. All parties involved in civil actions within the territory of the People's Republic of China shall comply with the Civil Procedure Law. Civil cases shall be generally heard by the people's court at the place where the defendant resides. The court with jurisdiction over a civil action may be chosen by written agreement between the parties, provided that the court must be located in a place with a substantial connection to the dispute, such as the domicile of the plaintiff or the defendant, the place of performance or signing of the contract, or the location of the subject matter of the lawsuit. However, in no case shall the parties' choice of a people's court violate the provisions on hierarchical jurisdiction and exclusive jurisdiction.

Foreign nationals, stateless persons and foreign enterprises and organizations that institute or respond to actions in the people's courts shall have equal procedural rights and obligations as citizens, legal persons and other organizations of the People's Republic of China. Where the courts of a foreign country impose any restrictions on the civil procedural rights of citizens, legal persons and other organizations of the People's Republic of China, the people's courts of the People's Republic of China shall apply the principle of reciprocity to the civil procedural rights of citizens, enterprises and organizations of such a foreign country. A foreign national, stateless person or foreign enterprise or organization that needs to be represented by a lawyer as agent ad litem in instituting and responding to an action in a people's court shall appoint a lawyer within the territory of the People's Republic of China. Pursuant to international treaties concluded or acceded to by the People's Republic of China or in accordance with the principle of reciprocity, people's courts and foreign courts may request mutual assistance in the service of legal documents, investigation, collection of evidence, and other acts in connection with litigation, on each other's behalf. If any matter in which a foreign court requests assistance would harm the sovereignty, security or public interest of the People's Republic of China, the people's court shall refuse to comply with the request.

The parties must perform civil judgments or rulings that have become legally effective. Where a party refuses to perform a judgment or ruling made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for execution within two years. The provisions relating to the suspension or discontinuance of the litigation limitation period shall be applicable to the suspension or discontinuance of the limitation period for applications to execute a judgment.

If a party applies for execution of a legally effective judgment or ruling made by a people's court and the party subject to execution or his property is not located within the territory of the People's Republic of China, the applicant may apply for recognition and execution to the foreign court with jurisdiction. Where an international treaty signed or acceded to by China and the relevant foreign country provide for the recognition and enforcement of a foreign judgment or ruling, or where such judgment or ruling meets the applicable requirements upon review by the people's court in accordance with the principle of reciprocity, the people's court may, except in exceptional circumstances, recognize and execute such foreign judgment or ruling in accordance with China's enforcement procedures, provided that the people's court considers that recognition or execution of such judgment or ruling neither contradicts the basic principles of the law of the People's Republic of China nor violates state sovereignty, security and the public interest.

PRC Company Law, Interim Measures for Overseas Listing, and Guidelines for Articles of Association of Listed Companies

Joint stock limited companies registered and established within the territory of China that seek **[REDACTED]** on the Hong Kong Stock Exchange are primarily subject to the following laws and regulations of the People's Republic of China.

The Company Law (《公司法》) was most recently revised on 29 December 2023, and came into effect on 1 July 2024.

The Interim Measures for Overseas Listing and its five interpretive guidelines, which were promulgated by the China Securities Regulatory Commission (CSRC) on 17 February 2023 and took effect on 31 March 2023, shall apply to direct or indirect overseas securities offering and listing by enterprises in the territory of the People's Republic of China.

In accordance with the Interim Measures for Overseas Listing and its interpretive guidelines, domestic companies that directly list overseas shall formulate their articles of association in accordance with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) which were most recently revised by the CSRC on 28 March 2025, and came into effect on the same day.

Set out below is a summary of the main provisions of the Company Law, the Interim Measures for Overseas Listing, and the Guidelines for Articles of Association of Listed Companies applicable to the Company.

General Provisions

A joint stock limited company is an enterprise as a legal person, established in accordance with the Company Law, whose registered capital is divided into shares of equal par value. The shareholders of a joint stock limited company shall be liable to the company to the extent of shares they have subscribed for.

In operations, a joint stock limited company shall comply with laws and regulations, observe social morality and business ethics, act in good faith, and accept supervision from the government and the public. A joint stock limited company may invest in other enterprises. Where a law provides that a company may not become a capital contributor that is jointly and severally liable for the debts of the investee, such provision of the law shall apply.

Registration and Establishment

A joint stock limited company may be registered and established by means of promotion or stock floatation. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, more than half of whom shall have their domiciles within the territory of the People's Republic of China.

Promoters of a joint stock limited company established by means of stock floatation shall, within 30 days after full payment has been made for the shares to be issued at the time of establishment, hold an establishment meeting of the company. The promoters shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting is held. The establishment meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. Where a joint stock limited company is established by means of promotion, the convening and voting procedures for the establishment meeting shall be prescribed by the agreement of the promoters. The establishment meeting of a company shall exercise functions and powers including, but not limited to, adopting the articles of association, and electing directors and supervisors. The resolutions made at the establishment meeting about the aforesaid matters shall be adopted by the subscribers present at the meeting who represent more than half of the voting rights.

Within 30 days after the establishment meeting, the board of directors shall apply to the registration authority for the registration of the joint stock limited company. After the competent registration authority issues a business license, the company is officially established and acquires legal personality.

Registered Shares

In accordance with the Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law.

In accordance with the Interim Measures for Overseas **[REDACTED]**, a domestic enterprise conducting overseas **[REDACTED]** and **[REDACTED]** may raise funds and pay dividends in a foreign currency or RMB.

In accordance with the Company Law, a joint stock limited company shall prepare a register of shareholders, which shall state the following matters: (i) name and domicile of each shareholder; (ii) category and number of shares subscribed for by shareholders; (iii) serial number of share certificates (if issued in paper form); and (iv) date on which each shareholder acquired the shares.

[REDACTED] and [REDACTED] of Shares

[REDACTED] of shares by a joint stock limited company shall adhere to the principles of fairness and equitableness, and each share in the same category shall carry the same rights. For the same category of shares issued in one **[REDACTED]**, the issue criteria and price shall be identical. A joint stock limited company may issue shares at par value or at a premium, but the issue price shall not be below par value.

A domestic enterprise conducting overseas offering and listing shall, in accordance with the Interim Measures for Overseas Listing, undergo the recordation formalities with the CSRC, submit the recordation report, legal opinions and other relevant materials, and truthfully, accurately and completely explain the information on shareholders. Where a domestic enterprise directly conducts overseas offering and listing, the issuer shall undergo the recordation formalities with the CSRC.

Increase of Share Capital

In accordance with the Company Law, where a joint stock limited company intends to issue new shares, its shareholders' meeting shall make a resolution about the matters such as category and number of the new shares, issuing price of new shares, the beginning and ending dates for the issuance of the new shares, and the category and number of the new shares to be issued to the original shareholders (if any). If any no par value share is issued, more than 50% of the proceeds from the issuance of the new shares shall be included into the registered capital. Where a company intends to make **[REDACTED]** of shares, it shall go through the registration procedures with the securities regulatory authority of the State Council and publicize the document.

Reduction of Share Capital

A joint stock limited company may reduce its registered capital in accordance with the following procedures as stipulated in the Company Law: (i) prepare a balance sheet and an inventory of property; (ii) make the resolution of reducing the registered capital at the shareholders' meeting; (iii) notify its creditors within ten days from the date of approval of the resolution of the shareholders' meeting to reduce the registered capital and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty days; (iv) the creditors have the right to request the company to settle the debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the notice has not been received; (v) upon reducing registered capital, the company shall apply for a change of registration with the company registration authority in accordance with the law.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is agreed upon by all the shareholders of a limited liability company or is otherwise prescribed by the articles of association of a joint stock limited company.

Share Buyback

In accordance with the Company Law, no company may purchase its own shares except under any of the following circumstances:

(i) where the company's registered capital is reduced; (ii) where it merges with another company holding its shares; (iii) where its shares are used for employee stock ownership plan or equity incentives; (iv) where any shareholder, who raises objections to the resolution of the shareholders' meeting on the merger or split-up of the company, requests the company to purchase its shares; (v) where its shares are used for converting the corporate bonds into convertible stocks issued by the company; or (vi) it is necessary for a listed company to maintain its company value and its shareholders' equity.

Where a company purchases its own shares under any of the circumstances as mentioned in Items (i) or (ii) above, a resolution of the shareholders' meeting shall be adopted. Where a company purchases its own shares under any of the circumstances as mentioned in Items (iii), (v) or (vi) above, a resolution shall be adopted at the meeting of the board of directors with the attendance of not less than two thirds of the directors, according to the articles of association or the shareholders' meeting of the company.

After the company purchases its own shares according to the provisions aforesaid, the shares purchased shall be written off within ten days as of the purchase date under the circumstance as mentioned in Item (i); the shares shall be transferred or written off within six months under the circumstance as mentioned in Item (ii) or (iv); and the shares held accumulatively by the company shall not exceed 10% of the total shares issued and be transferred or written off within three years under any of the circumstances as mentioned in Item (iii), (v) or (vi).

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the law. In accordance with the Company Law, the share transfer by a shareholder of a joint stock limited company shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council. Registered shares shall be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. No changes in the register of shareholders shall be made pursuant to the preceding paragraph within 20 days before the convening of any shareholders' meeting or within five days before the record date for the issue of dividends. Where it is otherwise stipulated by any law for the modification of the register of shareholders of a listed company, such provisions shall prevail.

In accordance with the Company Law, the shares issued before a company makes a **[REDACTED]** of shares shall not be transferred within 1 year as of the day when the stocks of the company are **[REDACTED]** and **[REDACTED]** on the stock exchange. The directors, supervisors and senior executives of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are **[REDACTED]** and traded on the stock exchange or within six months after he/she leaves office.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Shareholders

In accordance with the Company Law and Guidelines for Articles of Association of Listed Companies, ordinary shareholders of a joint stock limited company shall have the following rights:

- To attend or entrust an agent to attend shareholders' meetings and to exercise voting rights;

- To transfer shares pursuant to the provisions of laws, administrative regulations and the company's articles of association;
- To inspect the company's articles of association, register of shareholders, counterfoils of corporate bonds, minutes of shareholders' general meeting, resolutions of board meeting, minutes of meetings of board of supervisors and financial accounting reports; to propose recommendations or raise questions over the company's business operations;
- To apply to a people's court for revocation of any resolution of a shareholders' meeting or a board meeting if the content of the resolution violates the company's articles of association;
- To receive dividends and beneficial distributions in other forms according to the quantity of shares held;
- Upon termination or liquidation of the company, to distribute residual assets based on their shareholding; and
- Any other rights stipulated by laws, administrative regulations, other regulatory documents and the company's articles of association.

Ordinary shareholders of a joint stock limited company shall assume the following obligations: to abide by the company's articles of association; to pay funds according to the quantity of subscribed shares and the method of subscription; to bear the company's debts and liabilities to the extent of their respective subscribed shares; any other obligations which shall be assumed as provided by laws, administrative regulations and the company's articles of association.

Shareholders' Meeting

In accordance with the Company Law, the shareholders' meeting of a joint stock limited company shall consist of all the shareholders. The shareholders' meeting is the authority of the company, which shall exercise the following functions and powers: (i) electing and replacing directors and supervisors and deciding on their remunerations; (ii) deliberating on and approving the reports of the board of directors; (iii) deliberating on and approving the reports of the board of supervisors; (iv) deliberating on and approving the plans for profit distribution and making up for losses of the company; (v) making resolutions on the increase or decrease of the registered capital of the company; (vi) making resolutions on the issuance of corporate bonds; (vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company; (viii) amending the articles of association; and (ix) other functions and powers as prescribed in the articles of association.

In accordance with the Company Law, an annual shareholders' meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders' meeting shall be held within two months: (i) where the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association; (ii) where the unrecovered losses of the company reach one third of the total capital stock; (iii) where the shareholders who separately or aggregately hold 10% or more of the company's shares so request; (iv) where the board of directors deems it necessary; (v) where the board of supervisors so proposes; or (vi) other circumstances as provided for in the articles of association.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform the duties of convening the shareholders' meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or aggregately hold 10% or more of the shares of the company for 90 or more consecutive days may convene and preside over the meeting by themselves.

If the shareholders who separately or aggregately hold 10% or more of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the board of supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

The time and place of the meeting and the matters to be deliberated shall be notified to each shareholder 20 days before a shareholders' meeting is held. For an interim shareholders' meeting, a notice shall be served 15 days in advance.

The shareholders who separately or aggregately hold 1% or more of the shares of the company may, 10 days before a shareholders' meeting is held, submit an interim proposal in writing to the board of directors. The board of directors shall, within 2 days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders' meeting for deliberation.

In accordance with the Company Law, where a shareholder entrusts an agent to attend the shareholders' meeting, it shall clarify the matters, power and time limit of the agent. The agent shall present a power of attorney issued by the shareholder to the company and exercise voting rights within the authorized scope. The Company Law does not specify the exact number of shareholders required to form a quorum for a shareholders' meeting.

In accordance with the Company Law, a shareholder who attends the shareholders' meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

The shareholders' meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the articles of association or the resolutions of the shareholders' meeting. Under the cumulative voting system, when the shareholders' meeting elects the directors or supervisors, each shareholder is entitled to one vote per share, multiplied by the number of candidates and uses them all for one candidate for director or supervisor.

In accordance with the Company Law and the Guidelines for Articles of Association of Listed Companies, any resolution made at the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders who attend the meeting. A resolution made by the shareholders' meeting on merger, division, dissolution, increasing or decreasing the registered capital, change of corporate form of the company, or modification of the articles of association, shall be adopted by the shareholders representing two thirds or more of the voting rights.

Board of Directors

In accordance with the Company Law, a joint stock limited company shall set up a board of directors, which shall be composed of three or more members. The term of office of directors shall be prescribed in the articles of association, but each term shall not exceed three years. After the term of office of a director expires, he/she may be reelected to serve another term.

The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors 10 days before it is held. The board of directors shall exercise the following functions and powers: (i) convening the shareholders' meeting and reporting its work to the shareholders' meeting; (ii) executing the resolutions of the shareholders' meeting; (iii) deciding the business plans and investment scheme of the company; (iv) formulating plans for profit distribution and making up for loss of the company; (v) formulating plans for increasing or decreasing the registered capital, as well as plans for issuance of corporate bonds; (vi) formulating plans for merger, division, dissolution, or change of corporate form of the company; (vii) deciding the establishment of the internal management body of the company; (viii) deciding the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, deciding on hiring or dismissing deputy managers and financial director of the company as well as their remuneration; (ix) formulating the basic management rules of the company; and (x) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

A meeting of the board of directors shall be held only if more than half of the directors are present. Any director who is unable to attend a meeting of the board for a certain reason may authorize, in writing, another director to attend the meeting as an agent, and the scope of authority shall be stated in the power of attorney. Where a resolution of the board of directors is in violation of any law, administrative regulation, the articles of association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. However, if a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

In accordance with the Company Law, whoever is under any of the following circumstances is not allowed to assume the post of a director of a company: (i) having no capacity for civil conduct or having limited capacity for civil conduct; (ii) having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence; (iii) serving as a director, factory director or manager of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the completion of the bankruptcy and liquidation; (iv) acting as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of the law and being personally liable, where a three-year

period has not elapsed since the date of revocation of business license or the order for closure; or (v) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairman. The chairman shall be elected by more than half of all the directors. The chairman shall exercise the following powers (including but not limited to): (i) preside over shareholders' meetings, and convene and preside over meetings of the board of directors; (ii) supervise the implementation of the resolutions of the board of directors; (iii) exercise other powers conferred by the board of directors.

Board of Supervisors

A joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors as prescribed by the Company Law, with no board of supervisors established.

A joint stock limited company with a small scale or a relatively small number of shareholders may dispense with the board of supervisors but shall appoint a supervisor to exercise the functions and powers of the board of supervisors as provided for in the Company Law.

Except for the two special circumstances mentioned above, a joint stock limited company shall have a board of supervisors. There shall be three or more members in the board of supervisors. The members of the board of supervisors shall include shareholders' representatives and an appropriate proportion of employees' representatives, and the proportion of the employees' representatives shall be no less than one third of the total number of the members, the specific proportion of which shall be provided for in the articles of association. The employees' representatives in the board of supervisors shall be democratically elected by the employees through the employees' representative congress, the employees' congress or by other means. Any director or senior executive shall not concurrently act as a supervisor.

The board of supervisors shall have one chairman and may have deputy chairmen. The chairman and deputy chairmen of the board of supervisors shall be elected by more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, the deputy chairman of the board of supervisors shall convene and preside over the meeting. If the deputy chairman is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over such meeting.

The term of office of a supervisor shall be three years. Upon expiration of term of office, a supervisor may serve consecutive terms if reelected. If a supervisor fails to be reelected in a timely manner upon expiration of the term of office, or the resignation of a supervisor during term of office results in the number of the members of the board of supervisors being less than the quorum, the original supervisor shall, before a newly elected supervisor takes office, continue to exercise the duties of the supervisor according to the law, administrative regulations and the articles of association.

The board of supervisors shall convene at least one meeting every 6 months. In accordance with the Company Law, resolutions made by the board of supervisors shall be adopted by more than half of all the supervisors.

The board of supervisors shall exercise the following functions and powers:

- Examining the financial affairs of the company;
- Supervising the acts of the directors and senior executives in the performance of their duties, and proposing the removal of the directors and senior executives who have violated laws, administrative regulations, the articles of association or the resolutions of the shareholders' meeting;
- Requiring the directors and senior executives to correct their acts if such acts damage the interests of the company;
- Proposing to convene interim shareholders' meetings, and convening and presiding over the shareholders' meeting when the board of directors fails to implement the duties to convene and preside over the shareholders' meeting as prescribed in the Company Law;
- Presenting proposals to the shareholders' meetings;
- Initiating lawsuits against the directors and senior executives in accordance with relevant provisions of the Company Law;
- Other functions and powers provided for in the articles of association; and

A supervisor may attend the meetings of the board of directors as a non-voting member and raise inquiries or suggestions concerning the matters subject to resolutions to be adopted by the board of directors. If the board of supervisors finds any abnormality in the operation of the company, it may carry out an investigation. If necessary, it may hire an accounting firm to assist in its work at the expense of the company.

In accordance with the Guidelines for Articles of Association of Listed Companies, a company's board of directors shall set up an audit committee to exercise the powers of supervisors as prescribed by the Company Law.

Manager and Senior Executives

In accordance with the Company Law, a joint stock limited company shall have a manager, who shall be appointed or removed by the board of directors. The manager shall exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. Where additional provisions governing the powers of the manager are set out in a company's articles of association, such provisions shall prevail.

The manager shall attend the meetings of the board of directors as a non-voting member. Unless the manager also holds the position of director, he or she shall have no voting rights at the meetings of the board of directors.

In accordance with the Company Law, "senior executives" refers to the company manager, deputy company manager, head of finance, secretary to the board of directors of a listed company (if the company is a listed company), and any other persons as specified in the company's articles of association.

Duties of Directors, Supervisors and Senior Executives

In accordance with the Company Law, directors, supervisors and senior executives of a company shall comply with laws, administrative regulations and the articles of association. They shall assume the duty of loyalty and the duty of diligence to the company. No director, supervisor or senior executive may have any of the following acts:

- Embezzling the property or misappropriating the funds of the company;
- Depositing the funds of the company into an account opened in his/her own name or in the name of any other individual;
- Giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- Taking commissions from the transactions between the company and a third party into his/her own pocket;
- Unlawfully disclosing the confidential information of the company;
- Other acts in violation of the obligation of loyalty to the company;

Where any director, supervisor or senior executive directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the approval by a resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, supervisors or senior executives, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior executives or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, supervisors or senior executives, concludes a contract or conducts a transaction with the company, the provisions aforesaid shall apply, i.e. the matters relating to the conclusion of the contract or transaction shall be reported to the board of directors or shareholders' meeting, and shall be subject to the approval by a resolution of the board of directors or shareholders' meeting according to the articles of association.

No director, supervisor or senior executive may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

- Where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association.
- Where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Where any director, supervisor or senior executive fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

Where any director, supervisor or senior executive violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, he/she shall be personally liable for compensation to the company.

In accordance with the Guidelines for Articles of Association of Listed Companies, directors and senior executives of a company shall assume the duty of loyalty and the duty of diligence to the company. For instance, directors shall exercise the powers conferred by the company with prudence, care and diligence to ensure that the company's business activities comply with the provisions of national laws, administrative regulations and economic policies, and that such business activities do not exceed the scope of business as stated in the company's business license; directors shall treat all shareholders equally; shareholders shall keep themselves updated on the operation and management of the company; both directors and senior executives shall affix their written confirmation opinions to the company's regular reports and ensure that the information disclosed by the company is true, accurate and complete; directors and senior executives shall provide accurate information and data to the board of supervisors and refrain from preventing the board of supervisors or individual supervisors from exercising their powers and functions; both directors and senior executives shall perform other duty of loyalty and duty of care as prescribed by laws, administrative regulations, departmental rules and the company's articles of association.

Finance and Accounting

In accordance with the Company Law, a company shall establish its own financial and accounting systems according to laws, administrative regulations and provisions of the financial department of the State Council. A company shall prepare a financial accounting report at the end of each fiscal year and have it audited by an accounting firm in accordance with the law. The financial accounting report shall be made in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council.

In accordance with the Company Law, the financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than 20 days before the annual meeting of shareholders. A joint stock limited company that has publicly issued shares shall announce its financial accounting report.

When a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the aforesaid provisions. After having accrued statutory reserve from the after-tax profits, the company may also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' meeting.

The residual after-tax profits after a joint stock limited company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association.

The premiums received by a joint stock limited company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up for losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up for losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

No company may keep any accounting books other than the statutory accounting books.

Employment or Dismissal of Accounting Firm

In accordance with the Company Law, the employment or dismissal of an accounting firm undertaking a company's auditing business shall be decided by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the company's articles of association. When a company's shareholders' meeting, board of directors or the board of supervisors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

In accordance with the Guidelines for Articles of Association of Listed Companies, a company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them. The audit fee payable to the accounting firm shall be determined by the shareholders' meeting.

Profit Distribution

In accordance with the Company Law, a company shall not distribute profits before making up for losses and setting aside statutory reserve.

Amendment to Articles of Association

Any amendment to the company's articles of association shall be made in accordance with the procedures stipulated in the company's articles of association. Where the amendment involves matters related to company registration, the company shall complete the registration of the amended articles of association with the relevant registration authority. In accordance with the Company Law, a resolution made by the shareholders' meeting on amending the articles of association shall be adopted by two thirds or more of the voting rights held by the shareholders who attend the meeting.

In accordance with the Guidelines for Articles of Association of Listed Companies, the articles of association shall be amended under any of the following circumstances: (i) these articles contravene any latest amendments to the Company Law or other relevant laws or regulations; (ii) where any matters of the company as recorded in these articles are changed and become inconsistent with these articles; and (iii) the shareholders' meeting resolves to amend these articles.

Dissolution and Liquidation

In accordance with the Company Law, a company may be dissolved for any of the following reasons: (i) the term of operation specified in the company's articles of association expires or any of the other causes of dissolution specified in the company's articles of association occurs; (ii) the shareholders' meeting makes a resolution to dissolve the company; (iii) dissolution is required by a merger or division of the company; (iv) the business license of the company is revoked, or the company is ordered to close down or is removed in accordance with the law; (v) where the company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people's court to dissolve the company.

If any of the situations as mentioned in the aforesaid provisions arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a joint stock limited company falls under the circumstance as mentioned in Item (i) above, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting, and to modify its articles of association or make such a resolution at the shareholders' meeting, the consent of two thirds or more of the voting rights of the shareholders who attend the shareholders' meeting is required. Where a company is dissolved according to the provisions of Item (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

Where the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group may exercise the following functions during the period of liquidation: (i) liquidating the property of the company, preparing a balance sheet and an inventory of property, respectively; (ii) notifying the company's creditors by mail or public announcement; (iii) handling and liquidating the unfinished business of the company; (iv) paying off the taxes overdue by the company and the taxes incurred in the process of

liquidation; (v) liquidation of claims and debts; (vi) distributing the remaining property after all the debts of the company are paid off; (vii) representing the company in civil litigation activities.

The liquidation group shall notify the company's creditors within 10 days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensations, the outstanding taxes and the debts of the company with the property of the company, the remaining assets shall be distributed in proportion to the shares held by the shareholders. During the period of liquidation, the company survives, but shall not carry out any business operation unrelated to the liquidation. The property of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the company, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit the same report to the company registration authority to apply for deregistration of the company.

The members of the liquidation group shall, in performing their liquidation duties, assume the duty of loyalty and the duty of diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is removed, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

In accordance with the Interim Measures for Overseas Listing, a domestic enterprise conducting overseas listing shall undergo the recordation formalities with the CSRC within three working days after the application documents for listing are submitted overseas. Where an issuer makes a subsequent offering of securities in the same overseas market after its overseas listing, it shall complete the recordation formalities with the CSRC within three working days upon the completion of such issuance. Where an issuer conducts subsequent

offering and listing in other overseas markets after its initial overseas listing, it shall complete the filing formalities in accordance with the provisions of the first paragraph of Article 16 of the Interim Measures for Overseas Listing.

Loss of Share Certificates

Where any registered shares are stolen, lost or damaged, the shareholder concerned may, pursuant to the procedures of public notice for assertion of claim provided for in the Civil Procedure Law of the People's Republic of China, request a competent people's court to declare the shares invalid. After the people's court has so declared, the said shareholder may apply to the company concerned for re-issuance of the shares.

Suspension and Termination of Listing

Provisions concerning the suspension and termination of listing have been deleted from the Company Law. Provisions regarding the suspension of listing have also been removed from the Securities Law of the People's Republic of China (《中華人民共和國證券法》). Where listed stock falls under the delisting circumstances specified by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with its business rules.

In accordance with the Interim Measures for Overseas Listing, where an issuer voluntarily terminates the listing of stock or is forced to terminate the listing, it shall report the specific situation to the CSRC within three working days from the date on which the relevant matter occurs and is announced.

Merger and Division

In the case of a merger of companies, a merger agreement shall be concluded by the merging parties, and the companies involved shall prepare their respective balance sheet and inventory of assets. The companies involved shall notify their creditors within 10 days from the date of the resolution on the merger and make an announcement in newspaper or on the National Enterprise Credit Information Publicity System within 30 days. The creditors may request the said companies to settle the debts or provide corresponding guarantees within 30 days from the date of receipt of the notice or within 45 days from the date of the announcement if the notice is not received. In the case of a merger of companies, the claims and debts of the merging parties shall be succeeded by the company that survives the merger or by the newly established company.

Where a company is to be divided, its assets shall be divided accordingly, and a balance sheet and an inventory of assets shall be prepared. Upon the adoption of the resolution on the company's division, the company shall notify its creditors within 10 days from the date of the resolution on division and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. Unless otherwise agreed in a written agreement between a company and its creditors on the settlement of debts before the division, the debts of the company before the division shall be jointly and severally liable by the companies after the division.

Where registered items are changed as a result of the merger or division of a company, an application shall be made with the company registration authority to register the amendment in accordance with the law.

Where a company is dissolved, an application shall be made to register the cancellation in accordance with the law. Where a company is newly established, an application shall be made to register the establishment.

Laws and Regulations on Securities

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) was promulgated by the Standing Committee of the National People's Congress on 29 December 1998, last revised on 28 December 2019, and came into force on 1 March 2020. It comprehensively regulates activities in China's securities market, including the issuing and trading of securities, acquisitions of listed companies, stock exchanges, and securities companies, as well as the duties of securities regulatory authorities. The Securities Law further stipulates that domestic enterprises issuing securities directly or indirectly overseas or listing their securities overseas shall comply with the relevant provisions of the State Council. Specific measures for the subscription and trading of shares of domestic companies in foreign currencies shall be separately formulated by the State Council. The China Securities Regulatory Commission (CSRC) is a securities regulatory authority established by the State Council, responsible for supervising and administering the securities market in accordance with the law, maintaining market order, and ensuring the legitimate operation of the market. Currently, the issuance and trading of H-shares are mainly regulated by the laws, regulations, and rules issued by the State Council and the CSRC.

In accordance with the Securities Law of the People's Republic of China (2019 Revision) (《中華人民共和國證券法(2019修訂)》) and the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》), where the ratio of the outstanding voting shares (including A shares and H shares) of a listed company held by an investor (including overseas investor) alone or jointly with others through agreements and other arrangements reaches 5% by securities trading on a stock exchange, the investor shall, within three days after the fact occurs, file a written report with the CSRC and the stock exchange, notify the listed company, and announce it. Whenever the investor increases or decreases its holding of the outstanding voting shares of the listed company by 1%, it shall notify the listed company of and announce the increase or decrease on the next day after the fact occurs.

Arbitration and Enforcement of Arbitral Awards

In accordance with the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law"), which was most recently revised by the Standing Committee of the National People's Congress on 1 September 2017 and entered into force on 1 January 2018, the Arbitration Law shall apply to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to an arbitration commission formed in accordance with the Arbitration Law. Prior to the formulation of arbitration rules by the China Arbitration Association, arbitration commissions may formulate interim arbitration rules in accordance with the relevant provisions of the Arbitration Law and the Civil Procedure Law of the People's Republic of China. If the parties have concluded an arbitration agreement and one party institutes an action in a people's court, the people's court shall not accept the case.

In accordance with the Arbitration Law, a system of a single and final award shall be adopted for arbitration, and an arbitral award shall be final and binding on all parties to the arbitration. If a party fails to perform the arbitration award, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. A people's court may rule to refuse enforcement if there is evidence proving any of the following circumstances: (i) the parties have not agreed on an arbitration clause in the contract or reached a written arbitration agreement afterward; (ii) the respondent has not received the notice of the appointment of an arbitrator or the conduct of the arbitration proceedings, or has failed to present its opinions due to other reasons not attributable to the respondent; (iii) the composition of the arbitral tribunal or the arbitration proceedings is not in conformity with the arbitration rules; or (iv) the matters ruled on are beyond the scope of the arbitration agreement or beyond the arbitral authority of the arbitration commission. Where a party seeks to enforce an arbitral award made by a foreign-related arbitration commission against another party, and the person subject to enforcement or its property is not located within the territory of the People's Republic of China, an application for recognition and enforcement shall be submitted by the party to the competent foreign court. Similarly, a people's court may recognize and enforce arbitral awards rendered by foreign arbitration institutions in accordance with the principle of reciprocity or any international treaty concluded or acceded to by China.

In accordance with the Arrangement of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) issued by the Supreme People's Court on 24 January 2000 and effective as of 1 February 2000, and the Supplementary Arrangement of the Supreme People's Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) issued by the Supreme People's Court on 26 November 2020 and effective as of 27 November 2020, where one party fails to perform an arbitral award made in the Mainland or the Hong Kong SAR, the other party may apply for the enforcement of the arbitral award to the competent court at the place of domicile of the respondent or at the place where the respondent's property is located.

Judicial Judgments and Their Enforcement

In accordance with the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) issued by the Supreme People's Court on 25 January 2024 and implemented on 29 January 2024, any party may apply to the competent people's court of the Mainland or the competent court of the Hong Kong SAR for recognition and enforcement of legally effective judgments rendered by a court of the Mainland or a court of the Hong Kong SAR in civil and commercial matters or criminal cases involving civil damages.

TAXATION OF SECURITIES HOLDERS

The income tax and capital gains tax of H share holders shall be levied in accordance with the laws and practices of the People's Republic of China and the jurisdiction where the H share holders reside or are otherwise subject to taxation. The following summary of relevant tax provisions is based on currently effective laws and practices. It does not purport to predict any changes or adjustments to the relevant laws or policies, nor does it offer commentary or advice in this regard. This discussion is not intended to cover all possible tax consequences of investing in H shares, nor does it take into account the specific circumstances of any individual investor, some of which may be subject to special rules. Therefore, you should consult a tax adviser regarding the tax consequences of investing in H shares. This discussion is based on laws and relevant interpretations effective as of the date of this document, which may change or be adjusted, and may have retroactive effect. This discussion does not address any tax issues in the PRC or Hong Kong other than income tax, capital gains and profits tax, business tax/value-added tax, stamp duty, and inheritance tax. Potential **[REDACTED]** are advised to consult financial advisers regarding the PRC, Hong Kong, and other tax consequences related to the ownership and disposal of H shares.

PRC Taxation

Taxation on Dividends

Individual Investors

In accordance with the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》), most recently revised by the Standing Committee of the National People's Congress on 31 August 2018, and effective from 1 January 2019, and the Regulations on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法實施條例》), most recently revised by the State Council on 18 December 2018 and effective from 1 January 2019, dividends distributed by a company incorporated in the PRC to individual investors are subject to a withholding income tax at a uniform rate of 20%. In addition, in accordance with the Notice of the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission on Issues concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差異化個人所得税政策有關問題的通知》) issued on 7 September 2015 and effective from 8 September 2015, where an individual acquires the shares of a listed company from **[REDACTED]** of the company or from the stock market and holds the shares for more than one year, the income from dividends and bonuses shall be temporarily exempt from individual income tax. Where an individual acquires the shares of a listed company from **[REDACTED]** of the company or from the stock market, if the share holding period is one month or less, the incomes from dividends and bonuses shall be included into the taxable incomes in full amount; if the share holding period is more than one month up to one year, the incomes from dividends and bonuses shall be included into the taxable incomes at the reduced rate of 50% for the time being; individual income taxes on the aforesaid incomes shall be collected at a uniform rate of 20%.

In accordance with the Notice of the State Taxation Administration on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No.045 (《關於國税發[1993]045號檔廢止後有關個人所得税徵管問題的通知》) (No.348 [2011] of the State Taxation Administration) (國税函[2011]348號) issued on 28 June 2011, non-PRC resident individual holders of H shares shall generally pay PRC individual income tax on the dividends received at a withholding tax rate of 10%, subject to the applicable tax treaty provisions between the jurisdiction of residence of the non-PRC resident individual holders of H shares and the Chinese mainland, as well as the provisions of the tax arrangement between the Chinese mainland and Hong Kong. If a non-PRC resident individual holder is a resident of a jurisdiction that does not have a tax treaty with the Chinese mainland, we shall withhold income tax at a rate of 20% when distributing dividends.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), promulgated by the National People's Congress on 16 March 2007, and most recently revised on 29 December 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on 6 December 2007 and effective from 1 January 2008, and revised on 6 December 2024 (hereinafter collectively referred to as the "**Enterprise Income Tax Law**"), the enterprise income tax rate shall be 25%. For a non-resident enterprise having no office or establishment within the territory of People's Republic of China, or for a non-resident enterprise that has established such office or establishment but whose income from the territory of the People's Republic of China has no actual connection with such office or establishment, it shall generally pay enterprise income tax at a rate of 10% on their income from the territory of the People's Republic of China, including dividends received from resident enterprises in the People's Republic of China. The aforementioned income tax payable by non-resident enterprises shall be withheld at source, with the payer acting as the withholding agent, and the tax shall be withheld by the withholding agent from the amount payable.

In accordance with the Notice of the State Taxation Administration on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), issued by the State Taxation Administration on 6 November 2008 and effective from the same day, when a PRC resident enterprise distributes dividends for 2008 and subsequent years to non-resident H share holders, the enterprise income tax shall be withheld and paid at a uniform rate of 10%. The Reply on Issues Concerning the Levy of Enterprise Income Tax on Dividends Obtained by Non-Resident Enterprises from B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批復》), issued by the State Taxation Administration on 24 July 2009, and effective from the same day, further stipulates that any PRC resident enterprise that publicly issues and lists shares inside or outside the People's Republic of China shall withhold and pay enterprise income tax at a rate of 10% on dividends distributed to non-resident enterprise shareholders for 2008 and subsequent years. The aforesaid tax rate may be further adjusted in accordance with the tax treaties or agreements (if applicable) concluded between the Chinese government and the relevant countries or regions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), signed on 21 August 2006 (hereinafter referred to as the "**Arrangement**"), the Chinese government may levy tax on dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), but such tax shall not exceed 10% of the total amount of dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity in a Chinese company, the tax shall not exceed 5% of the total amount of dividends payable by that Chinese company. The Protocol V to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排〉第五議定書》), which came into effect on 6 December 2019, has incorporated criteria for eligibility to enjoy treaty benefits. Notwithstanding any other provisions of the Arrangement, treaty benefits under such criteria shall not be granted if the relevant income is reasonably considered, after taking into account all relevant facts and circumstances, as one of the principal purposes of an arrangement or transaction for obtaining any direct or indirect benefits under the Arrangement, unless the granting of such benefits in such circumstances is consistent with the relevant objectives and purposes of the Arrangement. The implementation of the dividend clauses under tax treaties shall comply with the provisions of Chinese tax laws and regulations, such as the Notice of the State Taxation Administration on the Issues Concerning the Implementation of the Dividend Clauses of Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions that have entered into tax treaties or arrangements for the avoidance of double taxation with China may be entitled to a reduction or exemption from PRC enterprise income tax on dividends received from Chinese companies. China currently has entered into tax treaties or arrangements for the avoidance of double taxation with a number of countries and regions, including the Hong Kong Special Administrative Region, the Macao Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-PRC resident enterprises entitled to preferential tax rates under the relevant tax treaties or arrangements shall file an application with the PRC tax authorities for a refund of the excess amount of enterprise income tax exceeding the treaty rate, and such refund application shall be subject to the approval of the PRC tax authorities.

Taxation on Gains from Share Transfers

Value-Added Tax and Local Surcharges

In accordance with the Notice on Comprehensive Launch of the Pilot Program of **[REDACTED]** Business Tax with Value-Added Tax (《關於全面推開營業税改徵增值税試點的通知》) (hereinafter referred to as "**Notice No. 36**"), which came into effect on 1 May 2016, entities and individuals engaged in the sale of services within the territory of the People's Republic of China shall pay value-added tax (VAT), where "engaged in the sale of services within the territory of the People's Republic of China" means that the seller or buyer of the taxable services is located within the territory of the People's Republic of China. Notice No. 36 also stipulates that for general VAT taxpayers or foreign VAT taxpayers, the transfer of financial products (including the transfer of ownership of marketable securities) shall pay

VAT at a rate of 6% on the taxable income (i.e., the balance remaining after deducting the purchase price from the selling price). However, the Notice of the Ministry of Finance and the State Taxation Administration on Several Policies Concerning the Exemption of Business Tax on Transactions of Individual Financial Commodities and Other Transactions (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》), which came into effect on 1 January 2009, also stipulates that individuals shall be exempt from VAT on the transfer of financial products. In accordance with these regulations, if the holder is a non-resident individual, such holder shall be exempt from PRC VAT on the sale or disposal of H shares; if the holder is a non-resident enterprise and the buyer of H shares is an individual or entity located outside the territory of the People's Republic of China, the holder may not be required to pay PRC VAT, but if the buyer of the H shares is an individual or entity located within China, the holder may be required to pay PRC VAT. However, there is still uncertainty as to whether non-PRC resident enterprises are actually required to pay PRC VAT on the disposal of H shares.

In addition, VAT taxpayers shall also pay urban maintenance and construction tax, education surcharge and local education surcharge (hereinafter collectively referred to as "**local surcharges**"), which usually amount to 12% of the actual amount of VAT, business tax and consumption tax (if any) payable.

Income Tax

Individual Investors

In accordance with the Individual Income Tax Law of the PRC, gains from the transfer of equity interests in PRC resident enterprises shall be subject to individual income tax at a rate of 20%. In accordance with the Notice on Continuing Temporary Exemption from Individual Income Tax on the Income from Stock Transfer (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the State Taxation Administration on 20 March 1998, the income of individuals from the transfer of shares in listed companies has continued to be exempt from individual income tax since 1 January 1997. In the latest revised Individual Income Tax Law, the State Taxation Administration has not explicitly stipulated whether to continue to exempt individuals from tax on the income from transfer of shares in listed companies.

However, the Notice on Issues Concerning the Individual Income Tax on Individual Income from Transfer of Non-tradable Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), jointly issued by the Ministry of Finance, the State Taxation Administration and China Securities Regulatory Commission on 31 December 2009, and effective from the same day, stipulates that income from the transfer of listed shares obtained by individuals from **[REDACTED]** of listed companies and the transfer markets of the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempt from individual income tax, except for relevant shares subject to the sales restrictions as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individual Income from Transfer of Non-tradable Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》), jointly issued and implemented by the aforesaid authorities on 10 November 2010. As of the Latest Practicable Date, the above provisions do not explicitly specify whether individual income tax shall be levied on the income of non-PRC resident individuals from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《企業所得税法》), for a non-resident enterprise having no office or establishment within the territory of People's Republic of China, or for a non-resident enterprise that has established such office or establishment but whose income from the territory of the People's Republic of China has no actual connection with such office or establishment, it shall generally pay enterprise income tax at a rate of 10% on their income from the territory of the People's Republic of China, including the income from the transfer of equity interests in PRC resident enterprises. The aforementioned income tax payable by non-resident enterprises shall be withheld at source, with the payer acting as the withholding agent, and the tax shall be withheld by the withholding agent from the amount payable. Such tax may be reduced or exempted in accordance with the relevant tax treaties or agreements for the avoidance of double taxation.

Tax Policies for the Shenzhen-Hong Kong Stock Connect

In accordance with the Notice on Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》), issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission on 5 November 2016 and effective from 5 December 2016, the income of PRC enterprise investors from the transfer of shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall be included in the total income and subject to enterprise income tax in accordance with the law. For dividends and bonuses obtained by domestic individual investors through the Shenzhen-Hong Kong Stock Connect from H shares listed on the Hong Kong Stock Exchange, the H share issuer shall file an application with China Securities Depository and Clearing Corporation Limited, which shall provide the H share issuer with the roster of domestic individual investors, and the H share issuer shall withhold individual income tax at a rate of 20%.

In accordance with the Announcement on Continuing the Implementation of the Individual Income Tax Policies Related to the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Mechanism and the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得税政策的公告》) issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission on 4 December 2019 and effective from 5 December 2019, and the Announcement on the Extension of Individual Income Tax Policies Related to the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Mechanism and the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得税政策的公告》) issued on 21 August 2023, and effective from the same day, the income of domestic individual investors from the transfer of shares listed on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect shall continue to be temporarily exempt from individual income tax from 5 December 2019 to 31 December 2027.

In accordance with the Notice on Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》), the dividends and bonuses obtained by PRC enterprise investors through the Shenzhen-Hong Kong Stock Connect for investing in stocks listed on the Hong Kong Stock Exchange shall be included in their total income and subject to enterprise income tax in

accordance with the law. Specifically, the dividends and bonuses obtained by PRC resident enterprises holding H shares for a continuous period of 12 months shall be exempt from enterprise income tax in accordance with the law. H share issuers shall not withhold enterprise income tax on dividends and bonuses for PRC enterprise investors, and the tax payable shall be declared and paid by the enterprises on their own.

Stamp Duty

In accordance with the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花稅法》) promulgated by the Standing Committee of the National People's Congress on 10 June 2021 and effective from 1 July 2022, non-PRC investors purchasing and disposing of H shares outside the territory of the People's Republic of China shall not be governed by the provisions of the Stamp Duty Law.

Inheritance Tax

In accordance with the PRC laws, there is currently no inheritance tax levied within the territory of the People's Republic of China.

Principal Taxation of the Company in PRC

Please refer to the "Regulatory Overview" section of the Document.

Foreign Exchange

The renminbi is the legal currency of the PRC. Authorized by the People's Bank of China (hereinafter referred to as the "**PBOC**"), the State Administration of Foreign Exchange (hereinafter referred to as the "**SAFE**") is empowered to exercise functions related to all matters concerning foreign exchange, including the implementation of foreign exchange regulations.

In accordance with the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) ("**Foreign Exchange Administration Regulations**") promulgated by the State Council on 29 January 1996, brought into force on 1 April 1996, and most recently revised on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. Current account items shall be subject to reasonable review by financial institutions engaged in foreign exchange settlement and sale to verify the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, and shall be subject to supervision and inspection by foreign exchange regulatory authorities. Capital account items, if directly invested by overseas entities or overseas individuals within the territory of the PRC, after obtaining approval by the competent authorities, shall be registered with the foreign exchange administration authority. Foreign exchange income from overseas may be remitted back to the Chinese mainland or deposited overseas, and foreign exchange and foreign exchange settlement funds in the capital account may only be used for purposes approved by the competent authorities and foreign exchange administration authority. When a serious imbalance occurs or is likely to occur in the balance of payments, or when a serious crisis occurs or is likely to occur in the national economy, the state may take necessary measures to safeguard and control the balance of payments.

In accordance with the Regulations on the Administration of Foreign Exchange Settlement, Sale and Payment (《結匯、售匯及付匯管理規定》) issued by the People's Bank of China on 20 June 1996 and brought into force on 1 July 1996, while other restrictions on foreign exchange conversion for current account items have been abolished, certain restrictions are imposed on foreign exchange transactions in the capital account.

In accordance with relevant laws and regulations of the PRC, when Chinese enterprises (including foreign-invested enterprises) need foreign exchange for current account transactions, they may make payments through foreign exchange accounts opened at designated foreign exchange banks without the approval of the foreign exchange administration authorities, provided that they provide valid transaction receipts and vouchers. Foreign-invested enterprises that need foreign exchange to distribute profits to shareholders, and Chinese enterprises (such as the Company) that need to pay dividends to shareholders in foreign exchange in accordance with relevant regulations, may make payments from their foreign exchange accounts at designated foreign exchange banks, or conduct foreign exchange conversion and payment at such banks in accordance with the resolutions of their board of directors or shareholders' meeting regarding profit distribution.

In accordance with the Decision of the State Council on Canceling and Adjusting a Batch of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) issued by the State Council on 23 October 2014, the requirement for examination and approval by the SAFE and its branches for the repatriation of overseas — raised funds from the overseas listing of foreign capital shares into domestic RMB accounts and the subsequent foreign exchange settlement was abolished.

In accordance with the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listings (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued and implemented by the SAFE on 26 December 2014, a domestic company shall register its overseas listing with the local branch of the SAFE in the place of its incorporation within 15 working days from the date of completion of its overseas listing. The funds raised from overseas listings by a domestic company may be repatriated to domestic accounts or deposited in overseas accounts, and the use of such funds shall be consistent with the content set out in the document and other disclosure documents.

In accordance with the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on 13 February 2015, brought into force from 1 June 2015, and partially repealed on 30 December 2019, the foreign exchange registration and approval for domestic direct investment and overseas direct investment shall be directly handled by banks. The SAFE and its branches shall conduct indirect supervision over foreign exchange registration for direct investment through banks.

The Regulations on Foreign Exchange Administration of Direct Investment of Foreign Investors in China (《外國投資者境內直接投資外匯管理規定》) ("**Document No. 21 of SAFE**") was issued on 10 May 2013, came into effect from 13 May 2013, was revised on 10 October 2018 and partially repealed on 30 December 2019. It stipulates that the SAFE or its local branches shall administer the direct investment of foreign investors in PRC through registration, and banks shall handle foreign exchange business related to direct investment in China based on the registration information provided by the SAFE or its branches.

In accordance with the Notice of the State Administration of Foreign Exchange on Reforming the Administration Method of Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) ("**Document No. 19 of SAFE**"), issued on 30 March 2015, effective from 1 June 2015, and partially repealed on 30 December 2019, foreign-invested enterprises may conduct voluntary settlement of foreign exchange capital based on their actual business needs. A foreign-invested enterprise shall not use the RMB funds obtained from the settlement of foreign exchange capital for the following purposes: (a) expenditures outside the business scope of the foreign-invested enterprise or prohibited by laws and regulations; (b) direct or indirect investment in securities; (c) granting entrusted loans (except where permitted by the business scope), repaying inter-enterprise loans (including third-party advances), or repaying RMB bank loans that have been re-lent to third parties; and (d) purchasing real estate for non-self-use purposes (except for real estate enterprises).

In accordance with the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Administration Policies for Settlement of Foreign Exchange under Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), issued and brought into force by the SAFE on 9 June 2016, relevant policies clearly stipulate that the foreign exchange income under capital account eligible for voluntary settlement (including repatriated funds raised from overseas listings) may be settled through banks based on the domestic enterprises' actual needs for business operation. The ratio of voluntary settlement of foreign exchange income under capital account of domestic enterprises is tentatively set at 100%, and the SAFE may adjust the aforesaid ratio in a timely manner according to the balance-of-payments status.

In accordance with the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) ("**SAFE Document No. 28**"), issued on 23 October 2019, effective from the same day and partially revised on 4 December 2023, the restrictions on domestic equity investment of the capital of non-investment-oriented foreign-invested enterprises were abolished. In addition, the notice removed restrictions on the settlement and use of funds in domestic asset monetization accounts, and relaxed the restrictions on the use and settlement of margins by foreign investors. Eligible enterprises in pilot areas are allowed to use the incomes under the capital account such as capital, foreign debt and funds raised from overseas listings for domestic payments without providing authenticity certificates to banks on a case-by-case basis beforehand. The use of such funds shall be genuine and in compliance with existing regulations on the use of capital account income.

This Appendix is mainly intended to provide potential **[REDACTED]** with an overview of the Company's Articles of Association. As this is only a summary, it does not set out all the information that may be important to potential **[REDACTED]**.

1. ISSUANCE OF SHARES

Issuance of shares by the Company shall adhere to the principles of openness, fairness and equitableness, and each share in the same category shall carry the same rights. For the same category of shares issued in one offering, the issue criteria and price shall be identical. Subscribers shall pay the same price per share for the shares they subscribe for.

2. INCREASE, DECREASE AND BUYBACK OF SHARES

The Company may, based on its operational and development needs, and in accordance with laws, regulations, the Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed, and upon the adoption of a resolution by the shareholders' meeting, increase its capital by any of the following means:

(i) Issuance of shares to unspecified targets;

(ii) Issuance of shares to specified targets;

(iii) Placing or distributing new shares to existing shareholders;

(iv) Converting reserve into share capital;

(v) Other methods approved by laws, administrative regulations, as well as the securities regulatory authority of the place where the Company's shares are listed, the CSRC and the Hong Kong Stock Exchange.

The Company may reduce its registered capital. Any reduction of registered capital shall be conducted in accordance with the procedures prescribed by the Company Law of the People's Republic of China (《公司法》), the securities regulatory rules of the place where the Company's shares are listed, other relevant provisions and the Articles of Association of the Company.

The Company shall not repurchase its own shares. However, this shall not apply in the following circumstances, provided that such repurchase does not contravene laws, regulations, the regulations of the securities regulatory authorities where the Company's shares are listed, the Listing Rules, and the provisions of these articles of association:

(i) Reducing the Company's registered capital;

(ii) Merging with another company holding shares in the Company;

(iii) Using the shares for employee stock ownership plans or equity incentives;

(iv) Where any shareholder, who raises objections to the resolution of the shareholders' meeting on the merger or division of the Company, requests the Company to purchase its shares;

(v) Where its shares are used for converting the corporate bonds into convertible stocks issued by the Company;

(vi) Where it is necessary for the Company to maintain its value and shareholders' interests;

(vii) Other circumstances under which the Company may repurchase its own shares in accordance with the provisions of laws, administrative regulations, department rules, normative documents, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

The Company may repurchase its own shares through open market transactions, or other methods recognized by laws, regulations, the CSRC and the securities regulatory authorities of the place where the Company's shares are listed.

Where the Company repurchases its own shares under the circumstances specified in Items (iii), (v) and (vi) above, such repurchase shall be conducted through open market transactions.

Where the Company repurchases its own shares under the circumstances specified in Items (i) and (ii) above, such repurchase shall be subject to a resolution of the shareholders' meeting; where the Company repurchases its own shares under the circumstances specified in Items (iii), (v) and (vi) above, such repurchase shall be subject to a resolution of the board of directors adopted at a meeting attended by more than two-thirds of the directors.

After the Company repurchases its own shares in accordance with the above provisions, where the repurchase falls under Item (i), the shares shall be cancelled within 10 days from the date of repurchase; where the repurchase falls under Items (ii) and (iv), the shares shall be transferred or cancelled within six months from the date of repurchase; where the repurchase falls under Items (iii), (v) and (vi), the total number of the Company's own shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within three years from the date of repurchase.

Where other provisions concerning matters relating to share repurchase are specified in laws, administrative regulations, department rules, normative documents, the Listing Rules and other regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

3. TRANSFER OF SHARES

Shares issued prior to the Company's initial public offering of A shares shall not be transferred within one year from the date on which the Company's A shares are listed and traded on the stock exchange.

The Company's directors and senior executives shall declare to the Company their holdings of the Company's shares and any changes thereto. During their term of office, the number of shares they transfer annually shall not exceed 25% of the total number of shares of the same category held by them; the shares of the Company held by them shall not be transferred within one year from the date the Company's shares are listed and traded. These individuals shall not transfer shares of the Company held by them within six months after leaving the Company.

If laws, administrative regulations, department rules, or securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the transfer restrictions of H shares, those provisions shall apply.

Where a director, senior executive or shareholder of the Company holding more than 5% of the Company's shares sells the shares or other securities with equity nature within six months after purchasing them, or purchases them again within the following six months

after sale, the proceeds shall belong to the Company, and the board of directors of the Company shall recover the proceeds. However, this shall not apply to securities companies that hold more than 5% of the shares due to purchasing the shares remaining from the **[REDACTED]**, or other circumstances stipulated by the securities regulatory authority of the place where the Company's shares are listed.

The shares or other equity securities held by a director, a senior executive, or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other equity securities held by his or her spouse, parents, and children and held through any other person's account.

Where the board of directors of the Company fails to comply with the provisions of Article 4 above, shareholders shall have the right to require the board of directors to comply within 30 days. If the board of directors fails to comply within the aforementioned time limit, shareholders shall have the right to institute an action in the people's court in their own name for the benefit of the Company.

Where the Company's board of directors fails to comply with the provisions of Article 4 above, the liable directors shall bear joint and several liability in accordance with the law.

4. FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

The Company or its subsidiaries (including its affiliated enterprises) shall not provide financial assistance in the form of gifts, advances, guarantees, borrowings and other forms to others for the acquisition of shares of the Company or its parent company, except when the Company implements an employee stock ownership plan.

Unless otherwise provided for by the securities regulatory rules of the place where the Company's shares are listed, the Company may, for the benefit of the Company and upon a resolution adopted by the shareholders' meeting or a resolution made by the board of directors in accordance with the provisions of the articles of association or the authorization of the shareholders' meeting, provide financial assistance to others for the purpose of acquiring shares of the Company or its parent company; provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital. Any resolution made by the board of directors shall be adopted by more than two-thirds of all the directors.

5. SHAREHOLDERS

The Company shall create a register of shareholders based on the documents provided by the securities depository and clearing institution, and the register of shareholders is sufficient evidence of shareholders' holding of shares of the Company. The original register of H-share shareholders shall be kept in Hong Kong for inspection by shareholders, but the Company may suspend shareholder registration procedures under conditions equivalent to those described below:

(i) The Company may, after giving notice in accordance with paragraph (ii), close its register of shareholders for one or more periods, provided that the aggregate period of closure in any calendar year shall not exceed 30 days;

(ii) The notice referred to in paragraph (i), if issued by the Company, shall be issued in accordance with the listing rules applicable to the relevant securities market; or by an advertisement in a newspaper widely circulated in Hong Kong; and if issued by any other company, it shall be issued by an advertisement in a newspaper widely circulated in Hong Kong;

(iii) For any calendar year, the 30-day period referred to in paragraph (i) may be extended by a resolution of the Company's shareholders adopted during that year;

(iv) The 30-day period referred to in paragraph (i) shall not be extended in any year for an additional period exceeding 30 days, or for more than one additional period totaling more than 30 days;

(v) Where any person seeks to inspect the register of shareholders or any part thereof that has been closed under this article and makes a request, the Company shall, upon such request, provide a certificate signed by the Company secretary stating the period during which the register of shareholders or part thereof has been closed and identifying the person who authorized the closure.

Shareholders shall enjoy rights and assume obligations according to the category of shares held by them, and shareholders holding the same category of shares shall enjoy equal rights and assume the same obligations.

Shareholders of the Company shall have the following rights:

(i) To obtain dividends and other forms of profit distribution according to the number of shares held by them;

(ii) To request, convene, preside over, attend in person or by appointing an agent the shareholders' meetings in accordance with the law, and to exercise their corresponding voting rights;

(iii) To supervise the Company's operations and to offer recommendations or make inquiries;

(iv) To transfer, donate, or pledge their shares in accordance with laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Company's articles of association;

(v) To inspect and copy the Company's articles of association, register of shareholders, minutes of shareholders' meetings, board of directors' resolutions, and financial accounting reports; eligible shareholders may inspect the Company's accounting books and vouchers;

(vi) To participate in the distribution of the Company's residual assets in proportion to their shareholding upon the termination or liquidation of the Company;

(vii) Shareholders who object to the Company's merger or division resolutions made by the shareholders' meeting may require the Company to purchase their shares;

(viii) Other rights stipulated by laws, administrative regulations, department rules, securities regulatory rules of the place where the Company's shares are listed, the Listing Rules, or the Company's articles of association.

Where a shareholder requests to inspect or copy the relevant documents of the Company, he/she shall comply with the provisions of the PRC Company Law, the PRC Securities Law and other applicable laws, administrative regulations, as well as the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed. Such shareholder shall also provide the Company with written documents certifying the category and quantity of the Company's shares that he/she holds. The Company shall, upon verification of the shareholder's identity, provide the relevant documents as requested by the shareholder.

Where the content of a resolution of a shareholders' meeting or a meeting of the board of directors of the Company violates any law or administrative regulation, shareholders shall have the right to request the people's court to hold it void.

Where the convening procedure or voting method of the shareholders' meeting or the meeting of the board of directors violates any law or administrative regulation or these articles of association, or the contents of a resolution thereof violate these articles of association, shareholders shall have the right to, within 60 days after the resolution is made, request the people's court to revoke the resolution. However, this shall not apply where the convening procedures or voting methods of the shareholders' meeting or the meeting of the board of directors only have minor flaws, without causing a substantive impact on the resolution.

Where the board of directors, shareholders and other relevant parties have disputes over the validity of the resolutions of the shareholders' meeting, they shall institute an action in the people's court in a timely manner. Before the people's court renders a judgment or ruling such as cancellation resolution, the relevant party shall implement the resolution of the shareholders' meeting. The Company, its directors and senior executives shall diligently perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall, in accordance with laws, administrative regulations, the CSRC, the Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed and the stock exchange, fulfill the obligation of information disclosure, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where the correction of previous matters is involved, the corresponding information disclosure obligations shall be handled and fulfilled in a timely manner.

Where a director or a senior executive other than members of the audit committee, in performing his duties for the Company, violates the provisions of any laws, administrative regulations, other securities regulatory rules of the place where the Company's shares are listed, or the Company's articles of association, and thus causes losses to the Company, a shareholder holding or the shareholders aggregately holding 1% or more of the shares of the Company for 180 consecutive days or more shall have the right to request in writing the audit committee to institute an action in the people's court. Where a member of the audit committee, in performing his duties for the Company, violates the provisions of any laws, administrative regulations, other securities regulatory rules of the place where the Company's shares are listed, and thus causes losses to the Company, the aforesaid shareholders may request in writing the board of directors to institute an action in the people's court.

Where the audit committee or the board of directors refuses to institute an action after receiving a written request from the shareholder or shareholders as mentioned in the preceding paragraph or fails to institute an action within 30 days after receiving the written request, or under urgent situations, a failure to immediately institute an action will result in irreparable damage to the interests of the Company, the shareholder or shareholders as mentioned in the preceding paragraph shall have the right to directly institute an action in the people's court in his/her or their own name for the benefit of the Company.

Shareholders of the Company shall assume the following obligations:

(i) To comply with laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Company's articles of association;

(ii) To pay for the shares subscribed for in the agreed mode of contribution;

(iii) Not to withdraw contributions for shares, except as permitted by laws, regulations, the Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed;

(iv) Not to damage the interests of the Company or other shareholders by abusing a shareholder's rights; and not to damage the interests of creditors of the Company by abusing the Company's independent corporate status and a shareholder's limited liability;

(v) Other obligations as set out by laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Company's articles of association.

Any shareholder causing losses to the Company or other shareholders by abusing a shareholder's rights shall assume compensatory liability according to the law. Any shareholder that causes serious damage to the interests of creditors of the Company by abusing the Company's independent corporate status and a shareholder's limited liability to evade debts shall be jointly and severally liable for the debts of the Company.

The controlling shareholders and actual controllers of the Company shall, in accordance with laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, as well as the regulations of the CSRC and the stock exchange, exercise their rights, fulfill their obligations, and safeguard the interests of the listed company.

Where a controlling shareholder or actual controller transfers the Company's shares held by him or her, the shareholder shall abide by the restrictive provisions on share transfer as stipulated by laws, administrative regulations, the CSRC, the Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed and the stock exchange, as well as his/her commitments made regarding the restricted share transfer.

6. SHAREHOLDERS' MEETING

a) General Provisions of Shareholders' Meetings

The shareholders' meeting of the Company shall consist of all shareholders. As a power body of the Company, the shareholders' meeting shall exercise the following functions according to the law:

(i) Electing and **[REDACTED]** directors, and deciding on matters concerning the remuneration of directors;

(ii) Deliberating and approving the reports of the board of directors;

(iii) Deliberating and approving the profit distribution plans and loss coverage plans of the Company;

(iv) Making resolutions on increasing or decreasing registered capital of the Company;

(v) Making resolutions on issuing corporate bonds;

(vi) Making resolutions on the merger, division, dissolution, liquidation, or change of the form of organization of the Company;

(vii) Amending the Company's articles of association;

(viii) Making resolutions on the engagement and dismissal of accounting firms undertaking the Company's audit business;

(ix) Deliberating and approving guarantee matters stipulated in Article 46 of the Company's articles of association;

(x) Deliberating matters concerning purchases or sales of major assets in a year that exceed 30% of the Company's audited total assets of the last period;

(xi) Deliberating and approving matters concerning the changes to the use of raised funds;

(xii) Deliberating equity incentive plans and employee stock ownership plans;

(xiii) Deliberating and approving related (connected) transactions to be entered into by the Company with related (connected) persons where the transaction amount exceeds RMB30 million and accounts for more than 5% of the absolute value of the net assets of the Company as audited in the latest fiscal period;

(xiv) Deliberating other matters subject to the decision of the shareholders' meeting as stipulated by laws, administrative regulations, department rules, the Listing Rules, the securities regulatory authority of the place where the Company's shares are listed, or the Company's articles of association.

The shareholders' meeting may authorize the board of directors to adopt a resolution on the issuance of corporate bonds.

Under the following circumstances, the external guarantees of the Company must be deliberated and adopted at the shareholders' meeting:

(i) Any guarantee provided by the Company and its controlled subsidiary after the total amount of external guarantees exceeds 50% of the Company's audited net assets of the last period;

(ii) Any guarantee provided by the Company and its controlled subsidiary after the total amount of external guarantees exceeds 30% of the Company's audited total assets of the last period;

(iii) Any guarantee provided by the Company for others with a cumulative amount, calculated on a rolling 12-month basis, exceeds 30% of the Company's audited total assets of the last period;

(iv) Any guarantee provided for a party whose liability-asset ratio exceeds 70%;

(v) A single guarantee the amount of which exceeds 10% of the Company's audited net assets of the last period;

(vi) Any guarantee provided for shareholders, actual controllers, and related (connected) parties thereof;

(vii) Other external guarantees that shall be determined by the shareholders' meeting in accordance with the provisions of relevant laws and regulations, the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed.

When the shareholders' meeting deliberates on the guarantees under Item (iii) above, such guarantees shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the Company provides guarantees for its controlling shareholder, actual controller, and their related (connected) persons, the controlling shareholder, actual controller, and their related (connected) persons shall provide counter-guarantees.

A transaction entered into by the Company (excluding transactions that do not involve consideration payment or any attached obligations, such as provision of guarantees, provision of financial assistance, related (connected) transactions, as well as the Company's receipt of cash asset donations and debt forgiveness) shall be subject to deliberation and approval by the shareholders' meeting if it meets any of the following criteria:

(i) The total assets involved in the transaction (if both book value and appraised value exist, the higher value shall prevail) account for more than 50% of the Company's audited total assets of the last period;

(ii) The net assets involved in the transaction (such as equity) (if both book value and appraised value exist, the higher value shall prevail) account for more than 50% of the Company's audited net assets of the last period, and the absolute amount exceeds RMB50 million;

(iii) The transaction amount (including assumed debts and expenses) accounts for more than 50% of the Company's audited net assets of the last period, and the absolute amount exceeds RMB50 million;

(iv) The profit generated by the transaction accounts for more than 50% of the Company's audited net profit of the last fiscal year, and the absolute amount exceeds RMB5 million;

(v) The operating income related to the subject matter of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the Company's audited operating income of the last fiscal year, and the absolute amount exceeds RMB50 million;

(vi) The net profit related to the subject matter of the transaction (such as equity) in the last fiscal year accounts for more than 50% of the Company's audited net profit of the last fiscal year, and the absolute amount exceeds RMB5 million.

If the data involved in the above indicators are negative, the absolute value shall be used for calculation.

Financial assistance transactions undertaken by the Company that fall under any of the following circumstances shall, after being deliberated and approved by the board of directors, be submitted to the shareholders' meeting for further deliberation:

(i) The amount of a single financial assistance exceeds 10% of the Company's audited net assets of the last period;

(ii) The asset-liability ratio of the recipient of financial assistance exceeds 70% as shown in its latest financial statements;

(iii) The cumulative amount of financial assistance within the last 12 months exceeds 10% of the Company's audited net assets of the last period;

(iv) Other circumstances as specified by the Shanghai Stock Exchange, the securities regulatory authority of the place where the Company's shares are listed, or these Articles of Association.

This provision may be waived if the recipient is a controlled subsidiary within the scope of the Company's consolidated financial statements, and the other shareholders of the controlled subsidiary do not include the Company's controlling shareholder, actual controller, or their related (connected)persons.

Shareholders' meetings include annual shareholders' meetings and interim shareholders' meetings.

The annual shareholders' meeting, which is convened once every fiscal year, shall be convened within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall convene an interim shareholders' meeting within two months of the occurrence of the fact:

(i) The number of directors is less than the minimum number specified by the PRC Company Law or less than two thirds of the number specified by these Articles of Associations;

(ii) The loss not covered by the Company reaches one-third of the total share capital;

(iii) The meeting is requested by a shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company (excluding treasury shares);

(iv) The board of directors deems it necessary;

(v) The holding of the meeting is proposed by the audit committee;

(vi) Any other circumstances as specified by applicable laws, administrative regulations, department rules, the Listing Rules, the securities regulatory authority of the place where the Company's shares are listed, or these Articles of Association.

b) Convening of Shareholders' Meetings

The board of directors shall convene shareholders' meetings on time within the prescribed time limit.

With the consent of more than half of all independent directors, independent directors shall have the right to propose an interim shareholders' meeting to the board of directors. For such a proposal, the board of directors shall, in accordance with the provisions of applicable laws, administrative regulations, the Listing Rules, the securities regulatory authority of the place where the Company's shares are listed, and these Articles of Association, issue a written affirmative or negative opinion within ten days after receiving the proposal. If the board of directors agrees to hold an interim meeting, it shall issue a notice of holding a shareholders' meeting within five days after a resolution is made at a meeting of the board of directors; or if the board of directors disagrees to hold the meeting, it shall explain the reasons and announce it.

The audit committee shall have the right to propose an interim shareholders' meeting to the board of directors, but shall propose it in writing. The board of directors shall, in accordance with the provisions of applicable laws, administrative regulations, the Listing Rules, the securities regulatory authority of the place where the Company's shares are listed, and these Articles of Association, issue a written affirmative or negative opinion within ten days after receiving the proposal.

If the board of directors agrees to hold the meeting, it shall issue a notice of holding a shareholder's meeting within five days after a resolution is made at a meeting of the board of directors, but any modification to the original proposal in the notice shall be subject to the consent of the audit committee.

If the board of directors disagrees to hold the meeting or no feedback is provided within ten days after the proposal is received, it shall be deemed that the board of directors is unable to perform or fails to perform the duty of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting on its own initiative.

A shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company (excluding treasury shares) that request the board of directors to convene an interim shareholders' meeting and include the proposal into the meeting agenda, shall submit such a request in writing. The board of directors shall, in accordance with the provisions of applicable laws, administrative regulations, the

Listing Rules, the securities regulatory authority of the place where the Company's shares are listed, and these Articles of Association, issue a written affirmative or negative opinion within 10 days after receiving the request.

If the board of directors agrees to hold the meeting, the board of directors shall issue a notice of holding a shareholder's meeting within five days after a resolution is made at a meeting of the board of directors, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders.

If the board of directors disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the shareholder holding or shareholders aggregately holding 10% or more of the shares of the Company, may propose the holding of an interim shareholders' meeting to the audit committee by submitting a written request to the audit committee.

If the audit committee agrees to hold the meeting, it shall issue a notice of holding a shareholder's meeting within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant shareholder or shareholders.

If the audit committee fails to issue a notice of holding a shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee fails to convene and preside over the shareholders' meeting, and a shareholding holding or shareholders aggregately holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their own initiative.

After deciding to convene a shareholders' meeting on its or their own initiative, the audit committee or a shareholder or shareholders must notify the board of directors in writing, and undergo the recordation formalities with the stock exchange of the place where the Company's shares are listed.

c) Proposals and Notices of Shareholders' Meetings

At a shareholders' meeting of the Company, the board of directors, the audit committee, and a shareholder holding or shareholders aggregately holding 1% or more of the shares of the Company shall have the right to submit proposals.

A shareholder holding or shareholders aggregately holding 1% or more of the shares (excluding treasury shares) of the Company may, 10 days before the shareholders' meeting is held, submit an interim proposal to the convener in writing. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal, announce the contents of the interim proposal, and submit the interim proposal to the shareholders' meeting for deliberation. However, this shall not apply to an interim proposal that violates the provisions of applicable laws, administrative regulations, the Listing Rules, the securities regulatory authority of the place where the Company's shares are listed or these Articles of Association, or does not fall under the scope of powers of the shareholders' meeting. Regarding the publication of supplementary notices of the shareholders' meeting, if the securities regulatory rules of the place where the Company's shares are listed have specific provisions, these provisions shall prevail, provided that they do not violate the PRC Company Law, the Securities Law, the Interim Measures for Administration, and

these Articles of Association. If, according to the securities regulatory rules of the place where the Company's shares are listed, the shareholders' meeting must be postponed due to the publication of a supplementary notice, the shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Except under the circumstances prescribed in the preceding paragraph, after publishing a notice of holding a shareholders' meeting, the convener shall not amend any proposal specified in the notice or add any new proposal.

The shareholders' meeting shall not vote on or make resolutions regarding any proposal that is not listed in the notice of holding a shareholders' meeting or that does not comply with the provisions of these Articles of Association.

For an annual shareholders' meeting, the convener shall notify all shareholders by announcement 21 days before the meeting is held; or for an interim shareholders' meeting, the convener shall notify all shareholders by announcement 15 days before the meeting is held.

A notice of a shareholders' meeting shall include the following:

(i) The time, place and duration of the meeting;

(ii) Matters and proposals submitted to the meeting for deliberation;

(iii) A clear statement that all shareholders have the right to attend the shareholders' meeting and may appoint an agent in writing to attend the meeting and exercise voting rights on their behalf. The agent is not required to be a shareholder of the Company;

(iv) The record date for determining the shareholders eligible to attend the shareholders' meeting;

(v) The name and telephone number of the permanent contact person for meeting affairs;

(vi) The time and procedures for voting via the internet or other means;

(vii) Other requirements stipulated by applicable laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

d) Holding of Shareholders' Meetings

All shareholders registered on the register of shareholders as of the record date, or their agents, shall have the right to attend the shareholders' meeting and exercise their voting rights (including speaking and voting at the shareholders' meeting) in accordance with relevant laws, regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters under the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the shareholders' meeting in person or appoint an agent to attend and vote on their behalf, and such agent is not required to be a shareholder of the Company. If a shareholder is a corporate entity, it may appoint a representative to attend any shareholders' meeting of this Company and vote at the meeting, and if the Company has appointed a representative to attend any meeting, it shall be deemed to have attended the meeting in person. The Company may execute a proxy form through its duly authorized person.

The shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A shareholders' meetings convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A shareholders' meetings convened by shareholders themselves shall be presided over by the convener or their appointed representative.

If, during a shareholders' meeting, the meeting chairperson violates the rules of procedure and thereby renders the meeting unable to proceed, the shareholders' meeting may, with the consent of more than half of the shareholders present and entitled to vote, elect another person to serve as the meeting chairperson to continue the meeting.

The Company shall formulate rules of procedure for shareholders' meetings, which shall specify in detail the procedures for convening, holding, and voting at shareholders' meetings, including notification, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, and announcements, as well as the principles for authorizing the board of directors by the shareholders' meeting. The scope of delegated authority shall be clear and specific. The rules of procedure for shareholders' meetings shall be an appendix to these Articles of Association, drafted by the board of directors and approved by the shareholders' meeting.

e) Voting at Shareholders' Meetings

Resolutions of shareholders' meetings shall be classified into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be adopted by shareholders (including shareholder representatives) present at the meeting who represent more than half of the voting rights.

A special resolution of the shareholders' meeting shall be adopted by shareholders (including shareholder representatives) present at the meeting who represent more than two-thirds of the voting rights.

The following matters shall be approved by the shareholders' meeting by an ordinary resolution:

(i) The work report of the board of directors;

(ii) The profit distribution plan and loss offset plan drafted by the board of directors;

(iii) The appointment and removal of members of the board of directors and their remuneration and payment methods;

(iv) Approval of the appointment, removal and remuneration of auditors;

Other matters except those that are required to be adopted by special resolution under laws, administrative regulations, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

The following matters shall be approved by the shareholders' meeting by special resolution:

(i) Increase or decrease of the Company's registered capital;

(ii) Division, demerger, merger, dissolution and liquidation, and voluntary winding-up of the Company;

(iii) Amendment of these Articles of Association;

(iv) The Company's purchase or sale of material assets, or provision of guarantees with an aggregate amount exceeding 30% of the Company's audited total assets in the last period within a single year;

(v) Changes to the rights attached to specific category of shares shall be approved by a special resolution (excluding treasury shares) of the shareholders holding the relevant category of shares;

(vi) Share incentive plans;

(vii) Other matters stipulated by laws, administrative regulations, the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the Company's Articles of Association, and other matters that the shareholders' meeting deems to have a significant impact on the Company and require approval by a special resolution.

Shareholders (including shareholders who entrust agents to attend the shareholders' meeting) shall exercise their voting rights based on the number of voting shares they represent, with one vote per share. When voting, the securities depository and clearing institution, as the nominal holder of shares under the Stock Connect Scheme between the Mainland and Hong Kong stock markets, or where a shareholder is a recognized clearing house (or its agent) as defined under the relevant ordinances from time to time in force in Hong Kong and holds voting rights equivalent to two or more votes, such holder is not obligated to cast all of its votes in the same manner (i.e., all in favor, all against or all abstentions).

When the shareholders' meeting deliberates on material matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of the separate vote count shall be disclosed promptly.

Shares held by the Company itself do not have voting rights, and shall not be included in the total number of voting shares held by the shareholders present at the shareholders' meeting.

Where a shareholder purchases voting shares of the Company in violation of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law of the PRC, the portion of such shares in excess of the prescribed limit shall not have voting rights for 36 months from the date of purchase, and shall not be included in the total number of voting shares held by the shareholders present at the general meeting.

The Company's board of directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the regulations of the CSRC or the securities regulatory authority of the place where the Company's shares are listed, may publicly solicit shareholder voting rights. When soliciting shareholder voting rights, the solicitor shall fully disclose information such as specific voting intentions to the solicited parties. Soliciting shareholder voting rights by means of remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio limit on the solicitation of voting rights.

When the shareholders' meeting deliberates on matters related to related (connected) transactions, the related (connected) shareholders shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the announcement of the resolution of shareholders' meeting shall fully disclose the voting results of non-related (connected) shareholders.

7. DIRECTORS

Directors of the Company shall be natural persons. Whoever is under any of the following circumstances is not allowed to assume the post of a director of the Company:

(i) Having no capacity for civil conduct or having limited capacity for civil conduct;

(ii) Having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension of sentence;

(iii) Serving as a director, factory director or manager of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the completion of the bankruptcy and liquidation;

(iv) Acting as the legal representative of a company or enterprise whose business license has been revoked or which was ordered to close down due to any violation of the law and being personally liable, where a three-year period has not elapsed since the date of revocation of business license or the order for closure;

(v) Being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts;

(vi) Being subject to prohibition from access to the securities market by the CSRC, and the term of such prohibition has not expired;

(vii) Being publicly identified by the stock exchange as unsuitable to serve as a director or senior executive of a listed company, and the term of restriction has not expired;

(viii) Other circumstances stipulated by laws, administrative regulations, department rules, other normative documents, the Listing Rules, and other securities regulatory rules or department rules of the place where the Company's shares are listed.

Any election, appointment or engagement of a director in violation of the provisions of this Article shall be invalid. If a director falls under any of the circumstances set out in this Article during his/her term of office, the Company shall terminate his/her employment and cease his/her duties.

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. Subject to the relevant laws, regulations, and securities regulatory rules of the place where the company's shares are listed, shareholders have the right to remove any director (including the one serving as general manager or other executive director) before the expiration of their term by ordinary resolution at a shareholders' meeting. Such removal shall not prejudice any claim for damages made by such director pursuant to any contract. The term of office for each director shall be three years, subject to the provisions of the Listing Rules, and directors may be re-elected upon the expiration of their term. The term of office for each independent director is the same as that of other directors of the company, subject to the provisions of the Listing Rules, and they may be re-elected upon the expiration of their term, but their consecutive term of office shall not exceed six years.

The term of office for a director shall be calculated from the date of his/her appointment until the expiration of the current term of the board of directors. If the term of office of a director expires and a new director is not elected in a timely manner, the original director shall continue to perform his/her duties in accordance with the provisions of applicable laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association, until the newly elected director takes office.

Without prejudice to applicable laws and the securities regulatory rules of the place where the Company's shares are listed, any person appointed by the board of directors as a director to fill a temporary vacancy on the board or to increase the number of directors shall hold office only until the first annual general meeting of shareholders of the issuer following his or her appointment, and shall be eligible for re-election at such meeting.

A director may concurrently serve as the president or other senior executive, but the total number of directors who also hold the position of president or other senior executive, as well as directors representing employees, shall not exceed 1/2 of the total number of directors of the Company.

Any director shall assume the following duties of loyalty to the Company:

(i) Shall not embezzle the property or misappropriate the funds of the Company;

(ii) Shall not deposit the funds of the Company into an account opened in his/her own name or in the name of any other individual;

(iii) Shall not give bribes or accept any other illegal proceeds by taking advantage of his/her power;

(iv) Shall not directly or indirectly conclude a contract or conduct a transaction with the Company without reporting to the board of directors or the shareholders' meeting and obtaining approval from the board of directors or the shareholders' meeting in accordance with the provisions of these Articles of Association;

(v) Shall not take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person, except where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the shareholders' meeting, or where the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations, the regulatory rules of the stock exchange where the Company's shares are listed, or these Articles of Association;

(vi) Shall not engage in any business that is similar to that of the Company for themselves or others without reporting to the board of directors or the shareholders' meeting and obtaining approval from the shareholders' meeting;

(vii) Shall not take commissions from the transactions between the Company and others into his/her own pocket;

(viii) Shall not disclose the confidential information of the Company without authorization;

(ix) Shall not use his/her connected relationships to harm the Company's interests;

(x) Other duties of loyalty as stipulated by laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, department rules, and these Articles of Association.

Any director shall assume the following duties of diligence to the Company:

(i) Shall exercise the powers conferred by the Company with prudence, care and diligence to ensure that the Company's business activities comply with the provisions of national laws, administrative regulations and economic policies, and that such business activities do not exceed the scope of business as stated in the Company's business license;

(ii) Shall treat all shareholders equally;

(iii) Shall keep themselves updated on the operation and management of the Company;

(iv) Shall affix written confirmation opinions to the Company's securities offering documents and regular reports, and ensure that the information disclosed by the Company is true, accurate and complete. If a director is unable to guarantee the truthfulness, accuracy and completeness of the contents of the securities offering documents and regular reports, or has any objections thereto, he or she shall express his or her opinions and state the reasons in the written confirmation opinions, and the Company shall make such disclosure. If the Company refuses to make such disclosure, the director may directly apply for such disclosure;

(v) Shall truthfully provide relevant information and materials to the Audit Committee and shall not obstruct the Audit Committee from exercising its powers;

(vi) Other duties of diligence as stipulated by laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, department rules, and these Articles of Association.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, directors may resign before the expiration of their term of office. A director who intends to resign shall submit a written resignation report to the Company, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant information no later than the time limit required by the regulatory rules of the place where the Company's shares are listed.

Under any of the following circumstances, a director who intends to resign shall continue to perform his/her duties, in accordance with laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and these Articles of Association, until the newly elected director takes office: where a director's resignation results in the number of members of the Company's board of directors falling below the statutory minimum number; where the resignation of a member of the Audit Committee results in the number of members of the Audit Committee falling below the statutory minimum number or lacking a member with accounting expertise; where the resignation of an independent director results in the proportion of independent directors on the board of directors or its special committees failing to meet the requirements of laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association; where there is no independent director with accounting expertise. The Company shall also reasonably endeavor to appoint a sufficient number of independent non-executive directors in a timely manner (in any case, no later than the latest time required by the regulatory rules of the place where the Company's shares are listed after failing to meet the relevant requirements), and such independent non-executive directors shall possess the competence, experience, qualifications and eligibility required under the Listing Rules.

Unless otherwise stipulated in these Articles of Association or legally authorized by the board of directors, no director shall act in his or her personal capacity on behalf of the company or the board of directors. Where a director acts in his or her personal capacity and a third party would reasonably believe that such director is acting on behalf of the Company or the board of directors, the director shall state his or her position and identity in advance.

8. BOARD OF DIRECTORS

The Company shall have a board of directors, consisting of 9 directors, including 3 independent directors. There shall be one chairman and one vice-chairman, who shall be elected by a majority vote of all the directors. At all times, the board of directors shall comprise at least one-third independent directors, and the total number of independent directors shall not be less than three. At least one independent director shall possess appropriate professional qualifications meeting the requirements of the Listing Rules and other regulatory requirements, or possess appropriate expertise in accounting or related financial management. The consecutive term of office of an independent director shall not exceed six years. Unless otherwise provided in the Listing Rules or if any waiver granted by the Hong Kong Stock Exchange is withdrawn, the Company shall have at least one independent director who is ordinarily resident in Hong Kong.

The Board of Directors shall exercise the following functions and powers:

(i) Convening the shareholders' meeting and reporting its work to the shareholders' meeting;

(ii) Executing the resolutions of the shareholders' meeting;

(iii) Determining business plans and investment schemes of the Company;

(iv) Formulating plans for profit distribution and making up for loss of the Company;

(v) Formulating plans for increasing or decreasing the Company's registered capital, issuing bonds or other securities, or listing the Company;

(vi) Drafting plans for major acquisitions, purchase of the company's own shares, as well as plans for merger, division, dissolution, or change of corporate form of the Company;

(vii) Within the scope authorized by the shareholders' meeting, deciding on matters such as the Company's external investments, purchase and sale of assets, asset mortgage, external guarantee, entrusted wealth management, related (connected) transactions, and external donations;

(viii) Determining the establishment of the Company's internal management structure;

(ix) Deciding on the appointment or dismissal of the Company's president, board secretary, and other senior executives, and determining their remuneration, rewards and penalties; based on the president's nomination, deciding on the appointment or dismissal of senior vice presidents, vice presidents, chief financial officer, and other senior executives, and determining their remuneration, rewards and penalties;

(x) Establishing the Company's basic management system;

(xi) Formulating plans for amending the Company's articles of association;

(xii) Managing the Company's information disclosure matters;

(xiii) Proposing to the shareholders' meeting the engagement or replacement of the accounting firm auditing the company;

(xiv) Listening to the work report of the company's president and reviewing the president's work;

(xv) Other functions and powers conferred by laws, administrative regulations, department rules, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, these Articles of Association, or the shareholders' meeting.

The board of directors shall hold at least four meetings each year, which shall be convened by the chairman, with written notice given to all directors 14 days prior to the convening of each meeting. Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the directors, or the audit committee, or more than half of the independent directors, may propose to convene an interim meeting of the board of directors. The chairman shall convene and preside over the meeting of the board of directors within 10 days after receiving such proposal.

A meeting of the board of directors shall be held only if more than half of the directors are present. A resolution of the board of directors shall be approved by more than half of all directors. Voting on resolutions of the board of directors shall be on the principle of one person, one vote.

Where a director has any relationship (connection) with any enterprise or individual involved in a matter to be decided at a meeting of the board of directors, such director shall promptly submit a written report to the board of directors. A director with any relationship (connection) shall not exercise the voting rights in respect of such resolution, nor shall he or she act as an agent for other directors to exercise voting rights. A meeting of the board of directors may be held if more than half of the directors without any relationship (connection) are present, and any resolution made at the meeting of the board of directors shall be approved by a majority of the directors without any relationship (connection). If the number of directors without any relationship (connection) present at the meeting of the board of directors is less than three, such matter shall be submitted to the shareholders' meeting for deliberation.

9. SENIOR EXECUTIVES

The Company shall appoint one president and several senior vice presidents and vice presidents; the president, senior vice presidents and vice presidents shall be appointed or dismissed by the board of directors.

The Company's president, senior vice presidents, vice presidents, chief financial officer, and board secretary shall be senior executives of the Company.

The provisions in the Company's Articles of Association regarding the duty of loyalty and the duty of diligence of directors shall also apply to senior executives.

The president shall report to the board of directors, and shall exercise the following functions and powers:

(i) Presiding over the Company's production and operation management, organizing and implementing the resolutions of the board of directors, and reporting to the board of directors;

(ii) Organizing the implementation of the Company's annual business plan and investment plan;

(iii) Drafting proposals for the establishment of the Company's internal management structure;

(iv) Drafting the Company's basic management rules;

(v) Establishing the Company's specific rules and regulations;

(vi) Proposing to the board of directors the appointment or dismissal of the Company's senior vice presidents, vice presidents, and chief financial officer;

(vii) Deciding on the appointment or dismissal of executives other than those whose appointment or dismissal shall be decided by the board of directors;

(viii) Other functions and powers granted by the Company's Articles of Association or the board of directors.

The president shall attend meetings of the board of directors as a non-voting member.

The Company's senior executives shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. Where senior executives fail to faithfully perform their duties or violate their fiduciary obligations, thereby causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

10. AUDIT COMMITTEE

The Company's board of directors shall establish an audit committee, which shall exercise the powers of the board of supervisors as stipulated in the PRC Company Law and the powers of the audit committee as stipulated in other securities regulatory rules of the place where the Company's shares are listed.

The audit committee shall consist of 3 members, who are directors not serving as senior executives of the Company, and who shall not have any relationship with the Company that may affect their independent and objective judgment. At least one member shall be an independent director with appropriate professional qualifications meeting regulatory requirements or with relevant accounting or financial management expertise, and shall serve as the chairman (convener) of the audit committee. More than half of the members of the audit committee shall be independent directors.

The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for deliberation after being approved by more than half of the members of the audit committee:

(i) Disclosure of financial information in financial accounting reports and regular reports, and internal control evaluation reports;

(ii) Engagement or dismissal of the accounting firm undertaking the audit of the listed company;

(iii) Engagement or dismissal of the chief financial officer of the listed company;

(iv) Changes in accounting policies, accounting estimates, or corrections of significant accounting errors for reasons other than changes in accounting standards;

(v) Other matters stipulated by laws, administrative regulations, the CSRC, the securities regulatory agency of the place where the Company's shares are listed, and these Articles of Association.

The audit committee shall hold at least one meeting every quarter. An interim meeting may be convened if proposed by two or more members, or if the convener deems it necessary. A meeting of the audit committee may only be held if two-thirds or more of its members are present.

Resolutions of the audit committee shall be adopted by a majority vote of its members.

Voting on resolutions of the audit committee shall be on the principle of one person, one vote.

Minutes of meetings shall be prepared for the resolutions of the audit committee in accordance with the relevant provisions, and the audit committee members attending the meeting shall sign the minutes.

The audit committee's operating procedures shall be formulated by the board of directors.

11. FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

a) Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, and the regulations of relevant national departments. If the securities regulatory authority of the place where the Company's shares are listed has other regulations, those regulations shall prevail.

Within four months from the end of each fiscal year, the Company shall submit and disclose its annual report to the securities regulatory authority and stock exchange of the place where the Company's shares are listed. Within two months from the end of the first six months of each fiscal year, the Company shall submit and disclose its interim report to the securities regulatory authority and stock exchange of the place where the Company's shares are listed. The financial accounting reports included in the aforementioned annual and interim reports shall be prepared, submitted, and disclosed in accordance with relevant laws, administrative regulations, department rules, the Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

The Company shall not establish any accounting books other than the legally required accounting books. The Company's funds shall not be deposited in any account opened in the name of any individual.

b) Profit Distribution

When the Company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the Company's statutory reserve. Such accrual is no longer required when the accumulated amount of the Company's statutory reserve is 50% or more of the Company's registered capital.

Where the accumulative amount of the Company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the aforesaid provisions.

After having accrued statutory reserve from the after-tax profits, the Company may also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' meeting.

After offsetting losses and setting aside statutory reserves, the remaining after-tax profits shall be distributed in accordance with the proportion of shares held by the shareholders, unless otherwise provided for in these Articles of Association.

If the shareholders' meeting distributes profits to shareholders in violation of the PRC Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; if the Company suffers any loss, the shareholders and the liable directors and senior executives shall bear liability for compensation.

The shares held by the Company in itself shall not participate in profit distribution.

The Company shall appoint one or more collection agents in Hong Kong for holders of H shares. The collection agent(s) shall collect and hold the dividends and other sums payable by the Company in respect of H Shares for subsequent payment to such holders of H shares. The collection agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed. The collection agent(s) appointed by the Company for the holders of H Shares listed in Hong Kong shall be a trust company registered under the Trustees Ordinance (Chapter 29 of the Laws of Hong Kong).

c) Internal Audit

The Company shall implement an internal audit system, which shall clearly specify the leadership structure, functions and responsibilities, staffing, fund guarantee, utilization of audit results, and accountability mechanism for internal audit work. The Company's internal audit system shall be implemented and be publicly disclosed after approval by the board of directors.

The internal audit department shall report to the board of directors.

d) Engagement of Accounting Firm

The Company shall engage an accounting firm that complies with the Securities Law (《證券法》), the Listing Rules and the securities regulatory rules of the place where the Company's shares are listed, to conduct audit of financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year and may be renewed.

The engagement and dismissal of an accounting firm shall be decided by the shareholders' meeting. The board of directors shall not appoint any accounting firm prior to the decision made by the shareholders' meeting.

The Company shall ensure that it provides the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misrepresent them.

12. MERGER, DIVISION, INCREASE OF REGISTERED CAPITAL, DECREASE OF REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

a) Merger, division, increase of registered capital and decrease of registered capital

Merger of companies may be achieved by absorption or consolidation.

A merger by absorption means that a company absorbs another company and the absorbed company shall be dissolved. A merger by consolidation means that two or more companies merge to form a new company, and all parties to the merger shall be dissolved.

Where the Company conducts a merger, all parties to the merger shall sign a merger agreement and each shall prepare a balance sheet and assets inventory. The Company shall notify its creditors within 10 days from the date of making the merger resolution and make an announcement within 30 days on newspaper such as the China Securities Journal, Shanghai Securities News, and Securities Times, or on the National Enterprise Credit Information Publicity System.

Creditors may request the Company to repay debts or provide corresponding guarantee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice is received.

Where the Company conducts a merger, the debts and liabilities of all parties to the merger shall be succeeded by the surviving company or the newly established company after the merger.

Where the Company conducts a division, its assets shall be divided accordingly.

When the Company conducts a division, it shall prepare a balance sheet and assets inventory. The Company shall notify its creditors within 10 days from the date of making the division resolution and make an announcement within 30 days on newspaper such as the China Securities Journal, Shanghai Securities News, and Securities Times, or on the National Enterprise Credit Information Publicity System.

The debts of the Company before the division shall be borne jointly and severally by the companies after the division. However, this shall not apply if there is a written agreement between the Company and creditors regarding debt repayment prior to the division.

b) Dissolution and Liquidation

The Company may be dissolved for the following reasons:

(i) The term of operation specified in the Company's articles of association expires or any of the other causes of dissolution specified in the Company's articles of association occurs;

(ii) The shareholders' meeting makes a resolution to dissolve the Company;

(iii) Dissolution is required by a merger or division of the Company;

(iv) The business license of the Company is revoked, or the Company is ordered to close down or is removed in accordance with the law;

(v) Where the Company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the Company may request the people's court to dissolve the company.

If any cause of dissolution as mentioned in the aforesaid provisions arises, the Company shall publicize the cause of dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstance as mentioned in Item (i) or (ii) above and has not yet distributed assets to shareholders, it may survive by modifying the articles of association or upon a resolution of the shareholders' meeting.

Where the Company is dissolved according to the provisions of Item (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation group shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and make an announcement in newspapers such as the China Securities Journal, Shanghai Securities News, and Securities Times, or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice is received.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period of claim declaration, the liquidation group shall not make any payments to creditors.

After sorting out the Company's assets and preparing the balance sheet and assets inventory, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company, after separately paying liquidation expenses, employee wages, social insurance premiums, statutory compensation, outstanding taxes and the Company's debts, shall be distributed in accordance with the proportion of shares held by the shareholders.

During the liquidation period, the Company shall continue to exist, but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders prior to the completion of payments in accordance with the provisions of the preceding paragraph.

If, after sorting out the Company's assets and preparing the balance sheet and assets inventory, the liquidation group finds that the Company's assets are insufficient to pay off its debts, it shall apply to the competent people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the application for bankruptcy, the liquidation group shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit the same report to the company registration authority to apply for deregistration of the Company.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws governing enterprise bankruptcy.

13. AMENDMENT TO ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

(i) The PRC Company Law or relevant laws, administrative regulations, the Listing Rules and securities regulatory rules of the place where the Company's shares are listed have been amended, and the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, the Listing Rules or other securities regulatory rules of the place where the Company's shares are listed;

(ii) The Company's circumstances have changed, and are inconsistent with the matters recorded in the Articles of Association;

(iii) The shareholders' meeting decides to amend the Articles of Association.

Where the amendments to the Articles of Association approved by the shareholders' meeting require approval from the competent authority, they shall be submitted to the competent authority for approval; where such amendments relate to the Company's registration items, registration of changes shall be completed in accordance with the law.

The board of directors shall amend the Company's Articles of Association in accordance with the resolution of the shareholders' meeting on the amendment and the approval opinions of the competent authorities.

Where the amendments to the Articles of Association constitute information required to be disclosed by laws and regulations, they shall be disclosed as required.

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

On 4 June 2008, the predecessor of our Company, Red Avenue Group, was established as a limited liability company in the PRC. Our Company was established through the conversion of Red Avenue Group from a limited liability company into a joint stock company on 18 September 2016. Our Company completed the listing of its A Shares on the Shanghai Stock Exchange (stock code: 603650) on 27 June 2018. Please refer to the paragraphs headed "History, Development and Corporate Structure — Major Shareholding Changes Concerning our Company — 2. Conversion into a joint stock limited company" and "Major Shareholding Changes Concerning our Company — 4. Listing of our Shares on the Shanghai Stock Exchange" in this document for further details.

Our registered address and principal place of business is at Room 2501, 25th Floor, 501 Yincheng Middle Road, Shanghai Tower, Pilot Free Trade Zone, Shanghai, the PRC. We have established a place of business in Hong Kong at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•] 2026. Mr. Wong Chun Wing Samuel (黃俊穎), our joint company secretary, is the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendices III and V to this document, respectively.

B. Changes in the Share Capital of our Company

On 7 February 2024, the total issued share capital of our Company was increased from RMB596,119,625 comprising 596,119,625 A Shares of nominal value of RMB1.00 each to RMB599,830,991 comprising 599,830,991 A Shares of nominal value of RMB1.00 each.

On 9 December 2025, the total issued share capital of our Company was decreased from RMB599,830,991 comprising 599,830,991 A Shares of nominal value of RMB1.00 each to RMB598,955,455 comprising 598,955,455 A Shares of nominal value of RMB1.00 each.

Save as disclosed above and in the paragraph headed "History, Development and Corporate Structure — Major Shareholding Changes Concerning our Company" in this document, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

C. Changes in the Share Capital of Our Subsidiaries

The following subsidiaries of our Company were incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of Incorporation	Date of Incorporation	Initial registered capital/share capital
RA Thailand	Thailand	16 May 2025	THB600,000,000
RA Germany	Germany	5 June 2025	EUR100,000
RA Changzhou	PRC	30 April 2024	RMB28,000,000

The following set out the changes in the share capital of our subsidiaries within two years immediately preceding the date of this document:

(1) RA Electronic

The registered share capital of RA Electronic was increased from RMB600,000,000 to RMB800,000,000 on 3 September 2024.

The registered share capital of RA Electronic was increased from RMB800,000,000 to RMB1,000,000,000 on 15 September 2025.

(2) RA Zhenjiang

The registered share capital of RA Zhenjiang was increased from US$46,400,000 to US$57,400,000 on 26 November 2024.

(3) RA Thailand

The registered share capital of RA Thailand was increased from THB5,000,000 to THB600,000,000 on 16 June 2025.

The registered share capital of RA Thailand was increased from THB600,000,000 to THB1,259,000,000 on 29 December 2025.

D. Resolutions Passed by Our Shareholders at General Meeting of our Company in relation to the [REDACTED]

At the general meeting of our Company held on 30 January 2026, the following resolutions, among others, were duly passed by our Shareholders:

(1) the **[REDACTED]** by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(2) the number of H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** before the exercise of the **[REDACTED]** shall not exceed **[REDACTED]** of the enlarged share capital of our Company upon completion of the **[REDACTED]**, and the **[REDACTED]** shall not exceed **[REDACTED]** of the above number of H Shares to be **[REDACTED]**;

(3) subject to the completion of the **[REDACTED]**, the Articles of Association to become effective on the **[REDACTED]** shall be conditionally adopted, and our Board and its authorised person have been authorised to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(4) to authorise our Board and its authorised person to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of the H Shares.

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to the section headed "Appendix V — Summary of the Articles of Association" in this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document and are or may be material:

(1) an agreement dated 18 March 2024 entered into between our Company, Mr. Ren Zhenquan (任振泉) ("**Mr. Ren**") and Shenzhen Xiaopang Technology Co., Ltd. (深圳小胖科技有限公司) ("**Shenzhen Xiaopang**") pursuant to which our Company shall have the right to request Mr. Ren and/or Shenzhen Xiaopang to repurchase, in whole or in part, the equity interest held by our Company in Shenzhen Xiaopang if Shenzhen Xiaopang fails to achieve listing of its shares on a stock exchange recognized by our Company by 31 December 2024. The consideration for such repurchase shall be (a) calculated pursuant to the formula as agreed by the parties in the agreement if only part of the equity interest held by our Company is repurchased; and (b) RMB10 million if all of the equity interest held by our Company is repurchased;

(2) an equity transfer agreement dated 4 September 2024 entered into between our Company as transferor and Jiangsu Xinghongda Industrial Co., Ltd. (江蘇興宏達實業有限公司) ("**Jiangsu Xinghongda**") as transferee in relation to the transfer by our Company to Jiangsu Xinghongda of 0.419249% equity interest in Jiangsu Xingda Steel Tyre Cord Co., Ltd. (江蘇興達鋼簾線股份有限公司) at nil consideration, subject to Jiangsu Xinghongda having complied with all its obligation under a civil judgement adjudged against it by 上海市浦東新區人民法院 (Pudong New Area People's Court of Shanghai) as referred to in the agreement;

(3) subscription agreement dated 31 December 2024 entered into between Suzhou Quantong Enterprise Management Partnership (Limited Partnership) (蘇州荃同企業管理合夥企業(有限合夥)) ("**Suzhou Quantong**"), as general partner, and our Company, Tibet YuanShi Venture Capital Management Co., Ltd. (西藏遠識創業投資管理有限公司), Guangzhou Huizhi Microelectronics Co., Ltd. (廣州慧智微電子股份有限公司), Changdian Technology Management Co., Ltd. (長電科技管理有限公司) and Jiangsu Gaomu Venture Capital Management Co., Ltd. (江蘇皋沐創業投資管理有限

公司), each as a limited partner, (together, the "**Puhua Partners**") in relation to the subscription by the Puhua Partners of partnership interest in Suzhou Puhua Quanxin Investment Partnership (Limited Partnership) (蘇州璞華荃芯投資合夥企業(有限合夥)) ("**Suzhou Puhua**"). Pursuant to the subscription agreement, our Company subscribed for RMB30 million of the partnership interest in Suzhou Puhua;

(4) two partnership agreements dated 26 November 2024 and 31 December 2024, respectively, entered into between Suzhou Quantong, as general partner, and each of the Puhua Partners, as limited partners, in relation to the establishment of Suzhou Puhua and the respective rights and obligations of the general partner and limited partners of Suzhou Puhua;

(5) an equity transfer agreement dated 21 January 2025 entered into between our Company as vendor and Beijing Qiqirendao Consulting Co., Ltd. (北京齊齊任道諮詢有限公司) as purchaser in relation to the sale by our Company to the purchaser of 5.24% equity interest in Shenzhen Xiaopang at a consideration of RMB13,715,068.49;

(6) a property rights transaction agreement dated 10 March 2025 entered into between RA Electronic as purchaser and Beijing Industrial Development Investment Management Co., Ltd. (北京工業發展投資管理有限公司) as vendor in relation to the transfer of 17.3278% equity interest in Kempur at a consideration of RMB112,630,700;

(7) a joint venture agreement dated 29 March 2025 entered into between HKRAG and Gold Dynasty Limited ("**Gold Dynasty**") in relation to the joint establishment of a limited liability company in Thailand with an initial registered share capital of THB306,000,000 (being 51% thereof) to be contributed by HKRAG and THB294,000,000 (being 49% thereof) to be contributed by Gold Dynasty;

(8) three equity transfer agreements all dated 26 May 2025 entered into between RA Electronic as purchaser and each of Anhui Tonghua High-Tech Center (Limited Partnership) (安徽同華高新技術中心(有限合夥)), Sichuan Runzi Group Co., Ltd. (四川潤資集團有限公司) and Suichang County Science and Technology Innovation Venture Capital Fund Partnership (Limited Partnership) (遂昌縣科技創新創業投資基金合夥企業(有限合夥)) as vendors in relation to the acquisition by RA Electronic from each of these vendors of 5.0006%, 1.9999% and 1.4694% equity interest in Kempur, respectively, at the respective consideration of RMB32,503,900, RMB12,999,350 and RMB9,551,100;

(9) an equity transfer agreement dated 12 June 2025 entered into between our Company as vendor, Suzhou Aikelong Materials Co., Ltd. (蘇州愛科隆材料有限公司) as purchaser and Suzhou Jucui Materials Technology Co., Ltd. (蘇州聚萃材料科技有限公司) ("**Suzhou Jucui**") as target company in relation to the sale by our Company to the purchaser of 12% equity interest in Suzhou Jucui at a consideration of RMB36,000,000;

(10) a capital increase agreement dated 28 November 2025 entered into between HKRAG, Gold Dynasty and RA Thailand pursuant to which each of HKRAG and Gold Dynasty agreed to make additional contribution of THB408,000,000 and THB392,000,000, respectively, to the registered capital of RA Thailand;

(11) an equity transfer agreement dated 26 December 2025 entered into between RA Electronic as purchaser, Tianjin Xianzhi Chain Investment Centre (Limited Partnership) (天津顯智鏈投資中心(有限合夥)) ("**Tianjin Xianzhi**") as vendor and BAE as target company in relation to the acquisition by RA Electronic from Tianjin Xianzhi of 18.86% equity interest in BAE at a consideration of RMB132,058,904; and

(12) the **[REDACTED]**.

B. Our Material Intellectual Property Rights

As at the Latest Practicable Date, our Group had registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As at the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Place of registration	Registered owner	Registration number	Validity Period
1.	彤程	1	PRC	Our Company	5265978	14 July 2019–13 July 2029
2.	Red Avenue	1	PRC	Our Company	5456176	7 October 2019–6 October 2029
3.	华奇	1	PRC	Sino Legend	5456178	14 September 2019–13 September 2029
4.		9	PRC	BAE	840577	21 May 2016–20 May 2026
5.	ECOAVENUE	1	PRC	Our Company	56636747	28 December 2021–27 December 2031
6.	Sino Legend	1	PRC	Sino Legend	14415527	28 May 2025–27 May 2035
7.	Sino Legend	1	PRC	Sino Legend	5455967	28 March 2020–27 March 2030

As at the Latest Practicable Date, we had made an application for the registration of the following trademark which we considered to be material to our business:

No.	Trademark	Classes	Place of application	Applicant	Trademark number/ Application number	Application date
1.	Red Avenue	1, 35	Hong Kong	Our Company	307132626	18 December 2025

Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which we considered to be material to our business:

No.	Registered owner	Description	Patent No.	Patent category	Application date
1	RA Chemical, RA Innova, our Company	Hydroxymethylated alkylphenol formaldehyde resin-added bitumen and Its preparation method, and rubber composition	ZL202211724600.3	Invention	30 December 2022
2	RA Electronic, RA Innova, Kempur, RA Chemical, our Company	A method for testing photoresist resin components	ZL202111138814.8	Invention	27 September 2021
3	RA Electronic, RA Innova, Kempur, RA Chemical, our Company	Amethod for testing the hydroxyl protection rate of poly(4-hydroxystyrene/co/ tert-butoxyethylstyrene)	ZL202111460580.9	Invention	2 December 2021
4	RA Electronic, RA Innova, Kempur, RA Chemical, our Company	A method for testing the molar fraction of repetitive units in poly(tert-butyl acrylate/co/ p-hydroxyethyl acrylate) copolymer	ZL202111474323.0	Invention	2 December 2021
5	RA Electronic, RA Innova, Kempur, RA Chemical, our Company	A method for testing the protection rate of partially acetalized poly(p-hydroxyethyl acrylate) resin	ZL202111459965.3	Invention	2 December 2021
6	RA Innova, Sino Legend, our Company	A binding resin, its preparation method, and rubber composition	ZL202211368868.8	Invention	3 November 2022
7	RA Electronic, RA Chuangzhen, Kempur, RA Chemical, our Company	A method for identifying phenolic skeletons in samples containing quinone dianilidine compounds	ZL202110732386.5	Invention	29 June 2021
8	Sino Legend, RA Chemical	A method for preparing and application of an alkylphenol-phenol-formaldehyde resin	ZL201510685223.0	Invention	21 October 2015
9	Sino Legend, RA Chemical	A cashew-phenol-modified phenolic resin for use as an adhesive in rubber and rubber products	ZL201510685224.5	Invention	21 October 2015
10	Sino Legend, RA Chemical	Rosin-modified resorcinol-formaldehyde resin, its preparation method, and application	ZL201510922179.0	Invention	11 December 2015
11	Sino Legend, RA Chemical	C9 resin-modified phenol-formaldehyde resin and its preparation method and application	ZL201510950033.7	Invention	16 December 2015
12	Sino Legend, RA Chemical	Synthesis and application of a long-lasting tackifying phenolic resin	ZL201610182024.2	Invention	28 March 2016
13	RA Chemical, Sino Legend	A rosin-modified C9 petroleum resin, its preparation method, and applications	ZL201611242987.3	Invention	29 December 2016
14	RA Chemical, Sino Legend	A comprehensive treatment method for functional resin wastewater from tyre production	ZL201710042064.1	Invention	20 January 2017

	Registered owner	Description	Patent No.	Patent category	Application date
15	Sino Legend, Changjing Chemical, RA Chemical, our Company	An alkylphenol-formaldehyde vulcanized resin, its preparation method, and application	ZL201810309556.7	Invention	9 April 2018
16	RA Chemical, our Company	A vulcanized resin, its preparation method, and application	ZL202110498154.8	Invention	8 May 2021
17	RA Chemical, our Company	A fully biodegradable coated composite paper material and its preparation method	ZL202110690983.6	Invention	22 June 2021
18	RA Chemical, our Company	A fully biodegradable self-adhesive food preservation film and its preparation method	ZL202111160668.9	Invention	30 September 2021
19	RA Chemical, our Company	A biodegradable aliphatic-aromatic copolyester and its synthesis method	ZL202111500849.1	Invention	9 December 2021
20	RA Chemical, our Company	A polyester compatibilizer, its preparation method, and application	ZL202111629498.4	Invention	28 December 2021
21	RA Chemical, our Company	A polyester compatibilizer and its preparation method and application	ZL202111638433.6	Invention	29 December 2021
22	RA Chemical, our Company	An organic nucleating agent for polylactic acid resin, polylactic acid resin composition, and application	ZL202210190927.0	Invention	25 February 2022
23	RA Chemical, our Company	A nucleating agent for polylactic acid resin and its preparation method and application	ZL202210181258.0	Invention	25 February 2022
24	RA Chemical, our Company	A fully biodegradable high water vapour barrier food preservation film and its preparation method	ZL202210468091.6	Invention	29 April 2022
25	Our Company, Sino Legend	A hollow paddle drying device	ZL202222799168.6	Utility Model	24 October 2022
26	Our Company, Sino Legend	A screw-type sprayer	ZL202222800349.6	Utility Model	24 October 2022
27	Our Company, Sino Legend	A cylindrical heating furnace	ZL202222543339.9	Utility Model	26 September 2022
28	Our Company, Sino Legend	A reactor with layered precision temperature control	ZL202222266670.0	Utility Model	26 August 2022
29	Our Company, Sino Legend	A cooling-based dust removal granulation device	ZL202222267036.9	Utility Model	26 August 2022
30	Our Company, Sino Legend	A high-efficiency drain valve	ZL202222233081.2	Utility Model	24 August 2022
31	Our Company, Sino Legend	A resin overflow trough structure	ZL202222219251.1	Utility Model	23 August 2022
32	Our Company, Sino Legend	A reactor sight glass cleaning device	ZL202222221537.3	Utility Model	23 August 2022
33	Our Company, Sino Legend	A resin granulation device	ZL202221947373.6	Utility Model	25 July 2022
34	Our Company, Sino Legend	A resin production equipment	ZL202221929072.0	Utility Model	25 July 2022
35	Our Company, Sino Legend	A silo dust removal device	ZL202221875313.8	Utility Model	8 July 2022
36	Our Company, Sino Legend	A bag-type precision filter	ZL202221875314.2	Utility Model	8 July 2022
37	Sino Legend	An eco-friendly scrubber tower for exhaust gas absorption	ZL202221505647.6	Utility Model	16 June 2022

	Registered owner	Description	Patent No.	Patent category	Application date
38	Our Company, Sino Legend	Solid material feeding system	ZL202121871067.4	Utility Model	11 August 2021
39	Our Company, Sino Legend	A powder feeding device	ZL202121833499.6	Utility Model	6 August 2021
40	Our Company, Sino Legend	Warm water circulation system	ZL202121824341.2	Utility Model	5 August 2021
41	Our Company, Sino Legend	A solid material melting device	ZL202121823727.1	Utility Model	5 August 2021
42	Our Company, Sino Legend	A device for heating barrel-packaged materials at scale	ZL202023321902.5	Utility Model	31 December 2020
43	Our Company, Sino Legend	A condenser anti-blockage device	ZL202023325191.9	Utility Model	31 December 2020
44	Our Company, Sino Legend	An adsorption device for pressure relief in liquid material tank breather valves	ZL202023325193.8	Utility Model	31 December 2020
45	Our Company, Sino Legend	A liquid batching system	ZL202023331290.8	Utility Model	30 December 2020
46	Our Company, Sino Legend	An anti-blockage device for sampling high-viscosity, easily clogging materials	ZL202023311576.X	Utility Model	30 December 2020
47	Our Company, Sino Legend	A method for testing total nitrogen in high COD wastewater	ZL202010395889.3	Invention	12 May 2020
48	Sino Legend	A steel belt coating device for granulation/cutting machines	ZL201920861510.6	Utility Model	10 June 2019
49	Sino Legend	A gearbox oil tank oil change device	ZL201920863953.9	Utility Model	10 June 2019
50	Sino Legend	A dust removal device for granulation systems	ZL201920856943.2	Utility Model	6 June 2019
51	Sino Legend	A foam removal device for sewage aerobic tanks	ZL201920850519.7	Utility Model	6 June 2019
52	Sino Legend	A condenser anti-blockage device	ZL201920850534.1	Utility Model	6 June 2019
53	Sino Legend, our Company	A compressed gas-controlled device for opening and closing material bin hatches	ZL201821328842.X	Utility Model	17 August 2018
54	Sino Legend, our Company	A melting device for solids inside barrels	ZL201821193619.9	utility model	26 July 2018
55	Sino Legend, our Company	A solid material melting device	ZL201821193085.X	Utility Model	26 July 2018
56	Sino Legend, our Company	A resin reactor sampling device	ZL201821193096.8	Utility Model	26 July 2018
57	Sino Legend, our Company	A solid particle cooling and dust removal device	ZL201821194224.0	Utility Model	26 July 2018
58	Our Company, Sino Legend	A method for determining the saturated fraction, wax, and oil content in rubber and rubber additives	ZL201710722460.9	Invention	22 August 2017
59	Sino Legend	A cashew nut shell liquid-modified resorcinol-formaldehyde resin, its preparation method, and applications	ZL201410567561.X	Invention	22 October 2014
60	Sino Legend	A toluene oil-modified phenolic resin and its preparation method	ZL201310006825.X	Invention	9 January 2013

	Registered owner	Description	Patent No.	Patent category	Application date
61	Sino Legend	A toluene oil-modified phenolic resin, its preparation method, and application	ZL201310007218.5	Invention	9 January 2013
62	Sino Legend	A cashew-dihydroxy-modified resorcinol-formaldehyde resin, its preparation method, and application	ZL201310007906.1	Invention	9 January 2013
63	Sino Legend	An improved process for producing alkylphenol thermoplastic resins	ZL200810041551.7	Invention	11 August 2008
64	Sino Legend	A modified phenolic tackifying resins for rubber compounding applications	ZL200880130918.0	Invention	26 June 2008
65	Sino Legend	Rubber compositions modified with resorcinol-formaldehyde resins	ZL200810032273.9	Invention	4 January 2008
66	Sino Legend, our Company	A preparation method of p-tert-octylphenol-formaldehyde resin as a rubber tackifier	ZL200710190278.X	Invention	26 November 2007
67	BAE, BAE (Hubei), RA Electronic, our Company	A positive photoresist composition	ZL202111145605.6	Invention	28 September 2021
68	BAE, RA Electronic, our Company	A photoresist and pattern formation method	ZL202110707464.6	Invention	24 June 2021
69	BAE, RA Electronic, our Company	A photoresist and pattern formation method	ZL202110716154.0	Invention	25 June 2021
70	RA Chemical, BAE, our Company	Rosin-modified C9 petroleum resin, its preparation method, and applications	ZL201711419731.X	Invention	25 December 2017
71	BAE, RA Electronic, our Company	Resin composition, photoresist composition, and patterning method	ZL202110930729.9	Invention	13 August 2021
72	RA Chemical, BAE, our Company	Melamine-modified resorcinol resin, its synthesis method, and applications	ZL201711138991.X	Invention	16 November 2017
73	BAE, BAE (Hubei)	A method and system for preparing high-resolution display panel photoresist	ZL202510525980.5	Invention	25 April 2025
74	BAE, BAE (Hubei)	A method, system, and photoresist for optimizing photoresist stability	ZL202510535522.X	Invention	27 April 2025
75	BAE, BAE (Hubei)	A method, system, and equipment for controlling photoresist coating	ZL202510543279.6	Invention	28 April 2025
76	BAE, BAE (Hubei)	A photoresist production method and system for improving photoresist uniformity	ZL202510726110.4	Invention	3 June 2025
77	BAE	A photoresist supply device and coating equipment	ZL201921364688.6	Utility Model	21 August 2019
78	BAE	Photoresist holding device and photoresist supply system	ZL202020685421.3	Utility Model	29 April 2020

	Registered owner	Description	Patent No.	Patent category	Application date
79	RA Chemical, BAE, our Company	A method for catalysing the synthesis of alkylphenol formaldehyde sulfur resins using organic bases	ZL201610631178.5	Invention	4 August 2016
80	BAE	A photoresist composition, preparation method, and pattern formation method	ZL201910933465.5	Invention	29 September 2019
81	BAE	a photoresist composition	ZL202010305848.0	Invention	17 April 2020
82	BAE	Photoresist composition and its preparation method	ZL202010460924.5	Invention	27 May 2020
83	RA Electronic, RA Innova, Kempur, RA Chemical, our Company	A method for detecting phenol in phenolic resins	ZL202011489899.X	Invention	16 December 2020
84	RA Electronic, RA Innova, our Company	A phenolic resin for photoresist and its preparation method	ZL202110910692.3	Invention	9 August 2021

As at the Latest Practicable Date, we had made applications in the PRC for the registrations of the following patents which we considered to be material to our business:

No.	Registered owner	Description	Application No.	Patent category	Application date
1	Kempur, RA Electronic	Top Coating Composition for Deep Ultraviolet Chemically Amplified Negative Photoresist and Its Preparation Method	CN2023110523141	Invention	21 August 2023
2	Kempur, RA Electronic	KrF Negative Photoresist and Its Preparation and Pattern Formation Methods	CN202311785408.X	Invention	22 December 2023
3	RA Innova	Modified Phenolic Resin and Its Preparation Method, and Rubber Composition	CN202310721217.0	Invention	16 June 2023
4	RA Innova, RA Electronic, our Company	Method for Determining Hydroxyl Groups in Phenolic Resin	CN202211722801.X	Invention	30 December 2022
5	Our Company, RA Zhenjiang, RA Chemical	Preparation Method and Application of Water-Based Phenolic Resin Emulsion for Oil Filter Paper	CN202210101312.6	Invention	27 January 2022

Computer Software Copyrights

As at the Latest Practicable Date, we had registered the following copyrights in the PRC which we considered to be material to our business:

No.	Registered owner	Name of copyright	Registration number	Date of development completion	Date of initial publication
1.	Kempur and Beijing Fengyuan	LED negative film automatic feeding control software v1.0 (LED負膠自動上料控制軟體V1.0)	2014SR205953	10 August 2012	10 August 2012
2.	Kempur and Beijing Fengyuan	Automatic filling control software for pneumatic tyre valve stems V1.0 (正膠自動灌裝控制軟體V1.0)	2014SR210698	18 September 2014	18 September 2014
3.	Kempur and Beijing Fengyuan	Step-by-step exposure machine control software V1.0 (步進式曝光機控制軟體V1.0)	2010SR036093	5 February 2010	5 February 2010

Domain Names

As at the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain name	Name of registered proprietor	Date of registration
1.	rachem.com	Our Company	3 August 2000
2.	sinolegend.com	Sino Legend	12 January 2006
3.	kempur.com	Kempur	13 October 2006
4.	baebj.com	BAE	27 August 2012

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

We have entered into a service contract with each of our Directors. The principal terms of these service contracts comprise (a) the term of the service; (b) termination clause; and (c) a dispute resolution provision. Pursuant to the service contract, the remuneration of our Directors shall be determined in accordance with our Directors' remuneration and compensation policies and approval from our Shareholders.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management — Remuneration of Directors and Senior Management" in this document, none of the Directors received other remuneration from our Group for each of the FY2023, FY2024 and 9M2025.

4. DISCLOSURE OF INTERESTS

A. Interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations following the [REDACTED]

Immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the H Shares are **[REDACTED]**, will be as follows:

(i) Interests in Shares of our Company

					Immediately following completion of the [REDACTED]	
Name	**Position**	**Nature of interest**	**Description of Shares**	**Number of Shares held/ interested** *(Note 1)*	**Approximate percentage of shareholding in the A Shares** *(Note 2)*	**Approximate percentage of shareholding in the total share capital of our Company** *(Note 3)*
Ms. Zhang	Executive Director and chairperson of our Board	Beneficial owner	A Shares	837,500	0.14%	**[REDACTED]**
		Interest in a controlled corporation	A Shares	374,732,700 *(Note 4)*	60.82%	**[REDACTED]**
Mr. Ding Lin	Executive Director, vice chairman of our Board and president	Beneficial owner	A Shares	100,000 *(Note 5)*	0.02%	**[REDACTED]**
Mr. Yuan Minjian	Executive Director and vice president	Beneficial owner	A Shares	150,000 *(Note 6)*	0.02%	**[REDACTED]**
Mr. Yu Yaoming	Executive Director, vice president and chief financial officer of our Group	Beneficial owner	A Shares	120,000 *(Note 7)*	0.02%	**[REDACTED]**
Mr. Tang Jie	Executive Director and vice president	Beneficial owner	A Shares	308,540 *(Note 8)*	0.05%	**[REDACTED]**

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of 616,107,972 A Shares in issue as at the Latest Practicable Date.

(3) The calculation is based on the total number of (i) 616,107,972 A Shares in issue; and (ii) **[REDACTED]** H Shares in **[REDACTED]** immediately following completion of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised at all and no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(4) These 374,732,700 A Shares are held as to (i) 294,570,000 A Shares by Red Avenue Investment; and (ii) 80,162,700 A Shares by Virgin Holdings. Red Avenue Investment is wholly owned by Ms. Zhang. Virgin Holdings is held as to (i) 99.9% by Ms. Zhang; and (ii) 0.1% by Red Avenue Investment. By virtue of the SFO, Ms. Zhang is taken to be interested in the Shares held by each of Red Avenue Investment and Virgin Holdings.

(5) These A Shares include 33,334 restricted A Shares granted to Mr. Ding Lin pursuant to the 2023 RSA Scheme.

(6) These A Shares include 50,000 restricted A Shares granted to Mr. Yuan Minjian pursuant to the 2023 RSA Scheme.

(7) These A Shares include 40,000 restricted A Shares granted to Mr. Yu Yaoming pursuant to the 2023 RSA Scheme.

(8) These A Shares include 50,000 restricted A Shares granted to Mr. Tang Jie pursuant to the 2023 RSA Scheme.

(ii) Interests in our Associated Corporations

Name	Position	Nature of Interest	Name of Associated Corporation	Issued Share Capital of the Associated Corporation	Approximate percentage of Shareholding
Ms. Zhang	Executive Director and chairperson of our Board	Interest in a controlled corporation	RA Thailand	THB616,910,000 *(Note)*	49%

Note: These issued share capital in RA Thailand are held by Gold Dynasty. Gold Dynasty is wholly owned by Ms. Zhang. By virtue of the SFO, Ms. Zhang is taken to be interested in the issued share capital in RA Thailand held by Gold Dynasty.

B. Interest discloseable under the SFO and substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed "A. Interests and short positions of our Directors and the chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations following the **[REDACTED]**" above, our Directors are not aware of any other who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be

directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

In addition to the above and so far as our Directors are aware, immediately following completion of the **[REDACTED]**, the following persons (other than our Company, and any subsidiaries of our Group) will, directly or indirectly, be interested in 10% or more of the issued voting shares of our subsidiaries:

Name of our subsidiary	Name of substantial shareholder of such subsidiary	Approximate percentage of interest in the subsidiary
RA Thailand	Gold Dynasty Limited	49.00%

C. Disclaimers

Save as disclosed in this appendix and the section headed "**[REDACTED]**":

(1) none of our Directors nor our chief executive has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the H Shares are **[REDACTED]**;

(2) the Directors are not aware of any person (not being a Director or chief executive of our Company) who, immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** and **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(3) none of our Directors nor any of the persons whose name are listed in the paragraph headed "6. Other Information — F. Qualification of Experts" in this section has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately

preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(4) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group; and

(5) save in connection with the **[REDACTED]**, none of the parties listed in the paragraph headed "6. Other Information — F. Qualification of Experts" in this section below:

(i) is interested legally or beneficially in any securities of any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

5. OUR 2023 RSA SCHEME

The following is a summary of the principal terms of the 2023 RSA Scheme currently being adopted by our Company. The terms of the 2023 RSA Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company after the **[REDACTED]**. Given the A Shares granted under the 2023 RSA Scheme have already been issued to the selected participants as of the date of this document and no further award of A Shares may be granted under the 2023 RSA Scheme, there will not be any dilutive effect to the issued Shares as a result of the operation of the 2023 RSA Scheme.

A. Purpose

The purpose of the 2023 RSA Scheme is to improve our Company's corporate governance structure, establish and enhance a long-term incentive mechanism of our Company, to attract and retain directors, senior executives, core management personnel, and key technical (business) personnel, and fully mobilise their initiative and innovation to enhance cohesion and competitiveness of our Company, and to align the interests of Shareholders and the Company together with the individual interests of the core talents of the Company and to promote all parties to focus on the long-term development of the Company.

B. Type of awards

The 2023 RSA Scheme involved the award of A Shares (the "**Awards**") to the eligible grantees pursuant to which the grantees shall, upon acceptance, purchase the A Shares so granted at the prescribed grant price per A Share. The A Shares so granted under the Awards shall be subject to certain restrictions (collectively, the "**selling restrictions**") as described in the sub-paragraph headed "Lock-up Period" below. For the purpose of this document, "restricted A Shares" refers to the A Shares so granted under an Award, the selling restrictions of which have not yet be released according to the terms of the 2023 RSA Scheme, and "unrestricted A Shares" refers to those A Shares the selling restrictions of which have been released.

C. Grantees

The grantees of restricted A Shares under the 2023 RSA Scheme include directors, members of senior management and key management, and key technical and/or business personnel of our Group. None of the grantees are independent Directors, supervisors, Shareholders or actual controllers who individually or collectively hold 5% or more of the shares of our Company, and their respective spouses, parents and children.

D. Source and number of A Shares granted

The Shares granted under the 2023 RSA Scheme comprise of 5,005,000 A Shares issued by our Company to the grantees. No further Awards may be granted under the 2023 RSA Scheme.

We had granted the 5,005,000 restricted A Shares in two tranches, with the first tranche of 4,768,000 restricted A Shares granted to 162 grantees on 13 September 2023 at the grant price of RMB14.88 per A Share ("**First Tranche**"), and the second tranche of 237,000 restricted A Shares granted to 10 grantees on 17 July 2024 at the grant price of RMB14.90 per A Share ("**Reserved Tranche**").

E. Term of the scheme

The 2023 RSA Scheme shall be effective from the date of the initial grant of restricted A Shares up to the date when all of the restricted A Shares have either become unrestricted A Shares, or otherwise been repurchased and cancelled, whichever occurs earlier, provided that such period shall not exceed 48 months.

F. Transfer prohibitions for Directors and the senior management team

(1) If the grantee is a Director or a member of senior management of our Company, during his or her employment with our Company, the Shares to be transferred in each year shall not exceed 25% of the total number of Shares he or she holds;

(2) If the grantee is a Director or a member of senior management of our Company, no Share held by such Director or senior management can be transferred within six months after termination of his or her employment with our Company;

(3) If the grantee is a Director or a member of senior management of our Company, or his or her spouse, parents or children, any income gained through sale of Shares purchased within six months, or purchase of Shares within six months after his or her sale of Shares, shall belong to our Company and will be forfeited by the Board; and

(4) if there is any change in the applicable laws and regulations, normative documents or the Company's Articles of Association regarding the transfer of Shares by Directors and senior management, the grantee shall comply with such amended laws and regulations, normative documents or the Company's Articles of Association.

G. Lock-up period

The A Shares granted under the Awards made under the First Tranche and the Reserved Tranche are subject to different lock-up periods starting from their respective dates of grant during which the relevant restricted A Shares shall not be transferred, pledged or used to repay debts.

The selling restrictions in respect of the restricted A Shares underlying the Awards granted under the First Tranche shall be released in three batches in the manner set out below:

(1) the first batch: 1/3 of the restricted A Shares underlying the Awards, subject to the release conditions as referred to in the paragraph headed "H. Release conditions" below being satisfied during the lock-up release period commencing from the first trading day after 12 months from the date of grant up to and including the last trading day of the 24-month period from the date of grant;

(2) the second batch: 1/3 of the restricted A Shares underlying the Awards, subject to the release conditions as referred to in the paragraph headed "H. Release conditions" below being satisfied during the lock-up release period commencing from the first trading day after 24 months from the date of grant up to and including the last trading day of the 36-month period from the date of grant; and

(3) the third batch: 1/3 of the restricted A Shares underlying the Awards, subject to the release conditions as referred to in the paragraph headed "H. Release conditions" below being satisfied during the lock-up release period commencing from the first trading day after 36 months from the date of grant up to and including the last trading day of the 48-month period from the date of grant.

The selling restrictions in respect of the restricted A Shares underlying the Awards granted under the Reserved Tranche shall be released in two batches:

(1) the first batch: 50% of the restricted A Shares underlying the Awards, subject to the release conditions as referred to in the paragraph headed "H. Release conditions" below being satisfied during the lock-up release period commencing from the first trading day after 12 months from the date of grant up to and including the last trading day of the 24-month period from the date of grant; and

(2) the second batch: 50% of the restricted A Shares underlying the Awards, subject to the release conditions as referred to in the paragraph headed "H. Release conditions" below being satisfied during the lock-up release period commencing from the first trading day after 24 months from the date of grant up to and including the last trading day of the 36-month period from the date of grant.

H. Release conditions

The selling restrictions in respect of the relevant batch of restricted A Shares can be released if, during the relevant lock-up release period as referred to in the paragraph headed "G. Lock-up Period" above, (i) none of the specified events set out below have occurred (the "**Non-occurrence Conditions**"); (ii) the performance results of our Company have attained the stipulated levels stated below (the "**Performance Results Conditions**"); and (iii) the grantee has passed the individual assessment (the "**Individual Assessment**").

The Non-Occurrence Conditions

The Non-Occurrence Conditions under the 2023 RSA Scheme are as follows:

(1) At the Company level, none of the following circumstances having occurred ("**Company-level Non-Occurrence Conditions**"):

(i) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year;

(ii) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in our Company's accountant's report for the most recent fiscal year;

(iii) our Company has not distributed its profits in accordance with the laws and regulations, the Articles of Association or the public commitment within the last 36 months after its listing;

(iv) applicable laws and regulations prohibit the implementation of share incentive; or

(v) any other circumstances determined by the CSRC; and

(2) At the individual level, none of the following circumstances having occurred with respect of the grantee ("**Individual-level Non-Occurrence Conditions**"):

(i) the grantee has been regarded as an inappropriate person by the relevant stock exchange within the last 12 months;

(ii) the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

(iii) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

(iv) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(v) the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

(vi) any other circumstances determined by the CSRC.

Performance Results Conditions

The Performance Results Conditions of the First Tranche under the 2023 RSA Scheme are as follows:

(1) In relation to the first batch, one of the following conditions being met:

(a) our Company records a revenue growth rate of not less than 10.00% in 2023 (based on operating revenue of 2022); or

(b) our Company records a net profit growth rate of not less than 15.00% in 2023 (based on net profit of 2022).

(2) In relation to the second batch, one of the following conditions being met:

(a) our Company records a revenue growth rate of not less than 20.00% in 2024 (based on operating revenue of 2022); or

(b) our Company records a net profit growth rate of not less than 30.00% in 2024 (based on net profit of 2022).

(3) In relation to the third batch, one of the following conditions being met:

(a) our Company records a revenue growth rate of not less than 30.00% in 2025 (based on operating revenue of 2022); or

(b) our Company records a net profit growth rate of not less than 45.00% in 2025 (based on net profit of 2022).

The Performance Results Conditions of the Reserved Tranche under the 2023 RSA Scheme are as follows:

(1) In relation to the first batch, one of the following conditions being met:

(a) our Company records a revenue growth rate of not less than 20.00% in 2024 (based on operating revenue of 2022); or

(b) our Company records a net profit growth rate of not less than 30.00% in 2024 (based on net profit of 2022).

(2) In relation to the second batch, one of the following conditions being met:

(a) our Company records a revenue growth rate of not less than 30.00% in 2025 (based on operating revenue of 2022); or

(b) our Company records a net profit growth rate of not less than 45.00% in 2025 (based on net profit of 2022).

Individual Assessment

A grantee's Individual Assessment result is linked to the proportion of restricted A Shares to be released from the selling restrictions in a specified batch:

Assessment result	**Pass**	**Fail**
Release proportion	100%	0%

If the Company achieves the Performance Results Conditions, the number of restricted A Shares to be released from the selling restrictions shall be equal to the number of restricted A shares to be released during the relevant lock-up release period multiplied by the release proportion.

I. Rights of the grantees in connection with the restricted A Shares

The restricted A Shares granted under the 2023 RSA Scheme shall, upon completion of the relevant registration procedures with the China Securities Depository and Clearing Co., Ltd., confer rights inherent to the A Shares to the grantees including but not limited to dividend rights, subscription rights and voting rights.

Where our Company distributes cash dividends, the grantees shall be entitled to the cash dividends attributable to the restricted A Shares after withholding and payment of individual income tax. Such sums shall in principle be held by our Company for and on behalf of the grantees and shall be released to grantees upon release of the selling restrictions in respect of the relevant batch of the restricted A Shares. If the selling restrictions of the restricted A Shares cannot be released, the corresponding cash dividends shall not be released to the grantees and shall instead be returned to the Company.

The grantees shall be free to dispose any unrestricted A Shares after the release of the selling restrictions, subject, however, to the transfer prohibitions set out above, and compliance at all times with the relevant laws and regulations in the case of Directors and members of senior management.

J. Forfeiture of restricted A Shares

Under the 2023 RSA Scheme, the restricted A Shares shall be repurchased and cancelled if, among others, any of the following circumstance occurs:

(1) Where any Company-level Non-Occurrence Condition has occurred, the Company shall repurchase and cancel all the restricted A Shares at a price with reference to the grant price per Share plus the interest accrued thereon based on the interest on deposits offered by the People's Bank of China for the same period.

(2) Where any Individual-level Non-Occurrence Condition has occurred, the Company shall terminate the right of such grantee to participate in the 2023 RSA Scheme, and shall repurchase and cancel all restricted A Shares underlying the Awards to such grantee at a price with reference to the relevant grant price per Share.

(3) If the Performance Results Conditions in respect of a particular batch of restricted A Shares are not met, the Company shall repurchase and cancel all restricted A Shares of the relevant batch at a price with reference to the relevant grant price per Share plus the interest accrued thereon based on the interest on deposits offered by the People's Bank of China for the same period.

(4) Where a grantee is no longer able to continue working for the Group due to non-work related injury or death, the restricted A Shares shall be repurchased and cancelled at a price with reference to the relevant grant price per Share plus the interest accrued thereon based on the interest on deposits offered by the People's Bank of China for the same period.

(5) Where a grantee is dismissed due to breach of laws or professional ethics, leaking secrets of our Company, gross misconduct, negligence or dereliction of duty or other acts that seriously damage the Company's interests or reputation, the restricted A Shares shall be repurchased and cancelled at a price with reference to the grant price per Share. The grantee shall pay the proceeds derived from the unrestricted A Shares granted to him to the Company, and shall be liable for loss suffered by the Company due to the actions of the grantee (if any).

(6) Where a grantee's employment contract is not renewed, or if the grantee resigns, the restricted A Shares underlying the Awards shall be repurchased and cancelled at a price with reference to the relevant grant price per Share.

(7) Where a grantee retires, or is no longer able to continue working for the Group due to work injury, or where a grantee is employed by a subsidiary of the Company over which the Company no longer has control, the Remuneration Committee shall determine whether (a) the Awards granted to such grantee shall be handled in accordance with the rules of the 2023 RSA Scheme according to the circumstances prior to the occurrence of the relevant event, and such grantee's Individual Assessment results shall not be a release condition for the restricted A Shares to such grantee, or (b) the restricted A Shares shall be repurchased and cancelled at a price with reference to the relevant grant price per Share plus the interest accrued thereon based on the interest on deposits offered by the People's Bank of China for the same period.

(8) Where a grantee is no longer able to continue working for the Group due to work-related death, the Remuneration Committee shall determine whether (a) the grantee's successors shall enjoy the rights to the Awards granted to such grantee, which shall be handled in accordance with the rules of the 2023 RSA Scheme prior to his death, and such grantee's Individual Assessment results shall not be a release condition for the restricted A Shares to such grantee, or (b) the restricted A Shares shall be repurchased and cancelled at a price with reference to the relevant grant price per Share plus the interest accrued thereon based on the interest on deposits offered by the People's Bank of China for the same period.

K. Details of restricted A Shares

As at the Latest Practicable Date, the number of restricted A Shares that remained to be subject to the selling restrictions was 1,609,582, representing approximately **[REDACTED]** of the issued Shares immediately following completion of the **[REDACTED]**, and taking no account of any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** and assuming no other changes to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

Among the restricted A Shares, 173,334 restricted A Shares are attributable to four Directors and 1,436,248 are attributable to 157 grantees who are employees of our Group but not Directors. Details of such restricted A Shares attributable to our Directors as at the Latest Practicable Date are set out below:

Name of grantee	Position in our Group	Date of grant	Number of restricted A Shares	Grant Price	Approximate percentage of shareholding in the total share capital of our Company as at the Latest Practicable Date(Note 1)
Directors and senior management					
Mr. Ding Lin	Executive Director, vice chairman of our Board and president of the Group	13 September 2023	33,334	RMB14.88	0.01%
Mr. Yuan Minjian	Executive Director and vice president of the Group	13 September 2023	50,000	RMB14.88	0.01%
Mr. Tang Jie	Executive Director and vice president of the Group	13 September 2023	50,000	RMB14.88	0.01%
Mr. Yu Yaoming	Executive Director and vice president of the Group	13 September 2023	40,000	RMB14.88	0.01%
Total			173,334		0.04%

Note:

(1) The calculation is based on the total number of 616,107,972 A Shares in issue as at the Latest Practicable Date.

Details of such restricted A Shares attributable to other employees (excluding Directors) as at the Latest Practicable Date are set out below:

Range of restricted A Shares granted	Number of grantees	Date of grant(Note 2)	Grant Price(Note 3)	Number of restricted A Shares	Approximate percentage of shareholding in the total share capital of our Company as at the Latest Practicable Date(Note 1)
1–10,000(Note 4)	124	13 September 2023 and 17 July 2024 (as the case may be)	RMB14.88 and RMB14.90 (as the case may be)	867,726	0.14%
10,001–20,000(Note 4)	25	13 September 2023 and 17 July 2024 (as the case may be)	RMB14.88 and RMB14.90 (as the case may be)	355,184	0.06%
20,001–30,000(Note 5)	7	13 September 2023 and 17 July 2024 (as the case may be)	RMB14.88 and RMB14.90 (as the case may be)	180,004	0.03%
30,001–40,000	1	13 September 2023	RMB14.88	33,334	0.01%
Total				1,436,248	0.24%

Notes:

(1) The calculation is based on the total number of 616,107,972 A Shares in issue as at the Latest Practicable Date.

(2) The grant date of the restricted A Shares made under the First Tranche and Reserved Tranche was 13 September 2023 and 17 July 2024, respectively.

(3) The grant price of the restricted A Shares made under the First Tranche and Reserved Tranche was RMB14.88 and RMB14.90, respectively.

(4) Among the grantees holding restricted A Shares falling within such range, four had been granted restricted A Shares under the Reserved Tranche, while the remaining grantees had been granted restricted A Shares under the First Tranche.

(5) Among the grantees holding restricted A Shares falling within such range, one had been granted restricted A Shares under the Reserved Tranche, while the remaining grantees had been granted restricted A Shares under the First Tranche.

6. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised by our PRC Legal Advisers that no material liability for estate duty under the laws of the PRC is likely to fall on our Company or its subsidiaries.

B. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operations or financial condition of our Company.

C. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the **[REDACTED]** Committee for the **[REDACTED]** of, and **[REDACTED]**, the H Shares to be **[REDACTED]** as mentioned in this document and any H Shares which may be **[REDACTED]** upon the exercise of the **[REDACTED]**, on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into **[REDACTED]**.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor's fee payable to the Sole Sponsor in connection with the **[REDACTED]** payable by our Company is US$500,000 (equivalent to HK$3,904,525).

D. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

E. Promoters

The promoters as at the time of our Company's conversion into a joint stock company with limited liability on 18 September 2016 are Red Avenue Investment, Virgin Holdings, Zhoushan Yutong, Best Linker, Mr. Song Xiuxin, Xiangzhuo Investment, Begonia Group, Shunyuan Investment and Mr. Zhou Bo.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

F. Qualification of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
Haitong International Capital Limited	Licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO
AllBright Law Offices	Qualified PRC lawyers
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

G. Consents of Experts

Each of the experts named in the paragraph headed "6. Other Information — F. Qualification of Experts" in this section above has given and has not withdrawn their respective written consents to the **[REDACTED]** of this document with the inclusion of their report and/or letter and/or legal opinion and/or opinion and/or confirmations and/or summary thereof (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

H. Taxation of Holders of H Shares

The **[REDACTED]**, **[REDACTED]** and transfer of H Shares are subject to Hong Kong stamp duty if such **[REDACTED]**, **[REDACTED]** and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being **[REDACTED]** or transferred. Profits from **[REDACTED]** in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

I. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 September 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this document and up to the date of this document.

J. Binding Effect

This document shall have the effect, if an [REDACTED] is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

K. Miscellaneous

Save as disclosed in this appendix and in the sections headed "History, Development and Corporate Structure", "Financial Information" and "**[REDACTED]**":

(1) within the two years immediately preceding the date of this document:

  (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and

(iii) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company or any of our subsidiaries.

(2) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(3) there are no founder, management or deferred shares, convertible debt securities or any debentures in our Company or any of our subsidiaries.

(4) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(5) there is no arrangement under which future dividends are waived or agreed to be waived.

(6) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights.

(7) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

(8) save for the A Shares of our Company that are listed on the Shanghai Stock Exchange, and save for the H Shares to be **[REDACTED]** in connection with the **[REDACTED]**, none of our equity and debt securities is **[REDACTED]** or dealt with in any other stock exchange nor is any **[REDACTED]** or permission to **[REDACTED]** being or proposed to be sought.

L. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(1) a copy of each of the material contracts referred to in the section headed "Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in this document; and

(2) the written consents referred to in "Appendix VI — Statutory and General Information — 6. Other Information — G. Consents of Experts" in this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of our Company at **www.rachem.com** and on the website of the Stock Exchange at **www.hkexnews.hk** during a period of 14 days from the date of this document:

(1) the Articles of Association;

(2) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(3) the consolidated audited financial statements of our Group for the two years ended 31 December 2024 and the nine months ended 30 September 2025;

(4) the report from Ernst & Young on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;

(5) the material contracts referred to in the section headed "Appendix VI — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in this document;

(6) the written consents referred to in the section headed "Appendix VI — Statutory and General Information — 6. Other Information — G. Consents of Experts in this document;

(7) the service contracts referred to in the section headed "Appendix VI — Statutory and General Information — 3. Further Information about Our Directors — A. Particulars of Directors' Contracts" in this document;

(8) the legal opinions issued by AllBright Law Offices, our PRC Legal Adviser, in respect of, amongst other things, certain general corporate matters and the property interests of our Group under the PRC law;

(9) the PRC Company Law, the PRC Securities Law and The Trial Administrative Measures of Overseas Securities **[REDACTED]** and **[REDACTED]** by Domestic Companies, together with their unofficial English translations;

(10) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set out in the section headed "Industry Overview" in this document; and

(11) the terms of the 2023 RSA Scheme.