OVERVIEW

We are a leading comprehensive solutions provider in the upstream of the new energy battery value chain. In the new energy era, we push the boundaries of battery materials innovation and intelligent manufacturing. We empower the world's top new energy battery enterprises. We have established a vertically integrated presence across the upstream of the new energy battery value chain, delivering platform-based industry solutions. Driven by technological innovation, we lead technology upgrades, promote cost reduction and efficiency improvement across the industry, create value for energy conservation, environmental protection and sustainable global energy development.

With deep expertise in new energy battery materials and processing technologies, we have accumulated extensive technological know-how and industry experience in battery materials and automation equipment. Building on this foundation, we have progressively expanded into CAAS electrode processing services, making us the only new energy battery materials and automation equipment enterprise with electrode processing service capabilities, according to CIC. We provide domestic and international battery manufacturers, automakers and energy storage customers with comprehensive upstream solutions for new energy batteries.

Our processing technologies, high-quality products and services have been widely recognized by globally leading customers. We have covered nine out of the top ten global new energy battery enterprises by new energy battery shipment volume in 2025, according to CIC. The customer ecosystem we have established has become a key driver of our continued expansion along the value chain.

The following chart sets out a summary of our key achievements.

Key Materials

No. 1 Globally
Shipment volume and market share of **coated separator** for seven consecutive years(1)

Shipment volume and market share of **PVDF** for three consecutive years(2)

No. 6 Globally
Shipment volume and market share of **artificial graphite anode material**(3)

Automation Equipment

Globally Leading
New energy battery automation equipment manufacturer

No. 1 Globally
Market share of **electrode coating machine**(3)

Markets and Customers

High Profile Clients(4)
Serve **nine out of the top ten** global new energy battery manufacturers

Production

Competitive Production Capacity(5)

Coated separator: 14 billion m^2

Base separator film: 2.1 billion m^2

Anode materials: 250,000 tonnes

PVDF: 30,000 tonnes

Boehmite and alumina: 30,000 tonnes

CAAS electrode processing: 62 million m^2

R&D(6)

R&D Centers: **10**

R&D Personnel: **1,700+**

Doctor's & Master's Team: **nearly 300**

Patents: **around 1,800**

Invention Patents: **340**

ESG

MSCI ESG Rating of **AA**

Eight "Green Factory" certification & **Five** "Carbon Neutral Factory" certification(7)

CDP Water Security and Climate Change **dual B rating**

Notes:

(1) From 2019 to 2025, according to CIC.

(2) From 2023 to 2025, according to CIC.

(3) In 2025, according to CIC.

(4) By shipment volume in 2025, according to CIC.

(5) Annual designed production capacity as of December 31, 2025.

(6) As of December 31, 2025.

(7) Accredited by provincial Department of Industry and Information Technology and qualified third-party institutions.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

- Comprehensive upstream coverage across the new energy battery value chain, underpinned by high-performance products that empower the entire value chain
- Integrated strategic layout delivering strong product and service competitiveness
- Platform-based layout delivering deep synergies and building the upstream ecosystem of the value chain
- Cross-business platform-based R&D system driving industry technology evolution
- In-depth value chain positioning and a premium customer ecosystem creating mutual empowerment, building brand strength and scale advantages
- Commitment to ESG development, creating value for global energy sustainability
- Experienced and visionary management team

OUR STRATEGIES

We intend to pursue the following strategies.

- Continue to invest in R&D and cross-business R&D platforms to sustain our industry-leading position
- Deepen integrated value chain synergies to achieve mutual enhancement of technology and products
- Actively expand into overseas markets and advance an integrated global business layout
- Further attract and develop outstanding talent
- Our long-term sustainable development strategy

OUR PRODUCTS OFFERINGS

We are primarily engaged in the R&D, manufacturing and sales of new energy battery key materials and new energy battery automation equipment.

Leveraging our robust R&D capabilities in battery materials and production processes, together with our deep understanding of the electrochemical systems and process routes underpinning new energy batteries, we have evolved into a platform-based enterprise centered on "materials + equipment," establishing a highly differentiated, synergy-driven capabilities platform within the industry. In the area of new energy battery materials and services, we are able to supply coated separators and film materials, anode materials and functional materials on a stand-alone basis, or deliver integrated material solutions tailored to customers' specific process requirements, including CAAS electrode processing services. In the area of automation equipment and services, we are able to supply automation equipment and related technical services for use in new energy battery and new energy material production, either on a stand-alone or integrated basis, thereby addressing customers' needs for individual product procurement as well as integrated, customized solutions spanning key materials and core equipment, and ultimately helping customers achieve cost reduction, efficiency improvement and product performance optimization.

RESEARCH AND DEVELOPMENT

We are dedicated to the research and development of underlying technologies, product development and design of new energy battery key materials and automation equipment. We place high emphasis on the development of new composite graphite anodes, silicon-carbon anodes, ultra-thin high-strength separators, new coated separators, high-speed base separator film production lines and high-speed coating machines. We have made significant and ongoing investments in R&D to diversify our product portfolio, enhance the performance, efficiency and safety of our products, and to develop expertise in the production of key materials. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses accounted for 6.3%, 5.5% and 5.7%, respectively, of our total revenue. See "Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Research and Development Expenses" for details. With the anticipated growth of our business going forward, we expect our research and development expenses to continue to increase.

MANUFACTURING

We adopt a make-to-order production model, scheduling manufacturing runs in response to customer orders so as to maintain optimal inventory levels. We are committed to advancing automation and digitalization across our operations to ensure the consistency and stability of product quality, deploying ERP and MES systems to maintain rigorous control over production costs and processes. Our coated separator and film materials business division has further implemented lights-out manufacturing to achieve the highest practicable level of automation. We have also established a comprehensive ISO/IATF production process management and control system to ensure effective oversight of all production operations.

As of December 31, 2025, we owned and operated 17 production bases, with a further eight production bases under construction. As of December 31, 2025, our designed annual production capacity comprised 14 billion m^2 for coated separators, 2.1 billion m^2 for base separator films, 250,000 tonnes for anode materials, 30,000 tonnes for PVDF, 30,000 tonnes for boehmite and alumina and 62 million m^2 for CAAS electrode processing.

SALES

We are principally engaged in direct sales to our customers. This approach minimizes intermediary costs and facilitates clear, direct communication with our customers. Given that our customers typically demand high product quality and may require customized solutions, maintaining open channels of communication is critical for ensuring product standards and reducing the likelihood of returns or the need for additional after-sales services.

See "Business — Sales and Marketing."

PRICING

We determine the selling prices of our products by balancing customer acceptability with our profitability requirements, taking into account a number of factors including, among others, raw material costs, customer purchase volumes, customer relationships, prevailing market competition conditions and the prevailing market prices for comparable products in the target sales regions. We reserve the right to further adjust the prices of our products in response to significant fluctuations in the market prices of key raw materials. Our automation equipment products are primarily customized in nature, command relatively high unit prices and involve longer production and acceptance cycles. Accordingly, we typically require customers to pay a specified proportion of the purchase price as an advance payment upon order signing, a further proportion upon delivery of the products to the customer's designated site, a further proportion upon customer acceptance, and the remaining balance upon expiry of the warranty period. The selling prices of our products are determined through arm's length negotiations with our customers.

See "Business — Sales and Marketing — Pricing."

COMPETITION

According to CIC, the global new energy battery market has grown rapidly, with market size increasing from approximately 530.5 GWh in 2021 to approximately 2,257.0 GWh in 2025, representing a CAGR of 43.6%. The market is projected to reach approximately 6,284.3 GWh by 2030, representing a CAGR of 22.7% from 2025 to 2030, driven by sustained growth in new energy vehicles, energy storage systems and consumer electronics.

The upstream new energy battery materials and equipment markets in which we operate are characterized by high concentration among leading participants. According to CIC, the top five participants accounted for approximately 70.9% of global coated separator shipment volume and approximately 73.7% of global electrode coating machine revenue in 2025. We hold industry-leading positions across multiple product segments. We ranked first globally by the shipment volume of coated separator for new energy battery for seven consecutive years, with market share of 35.3% in 2025, and first globally by the shipment volume of PVDF for new energy battery for three consecutive years, with a market share of 27.6% in 2025. We also ranked sixth globally by artificial graphite anode material shipment volume with a market share of 5.4%, and first globally by electrode coating machine revenue with a market share of 35.2%.

See "Industry Overview."

CUSTOMERS AND SUPPLIERS

Our primary customers for new energy battery key materials and automation equipment are new energy battery manufacturers. In 2023, 2024 and 2025, the revenue generated from our five largest customers amounted to RMB10,771.6 million, RMB8,860.4 million and RMB9,135.2 million, respectively, representing 70.4%, 66.1% and 58.4% of our total revenue for the respective years. During the same periods, revenue attributable to our largest customer accounted for 39.4%, 39.2% and 39.0% of our total revenue, respectively. During the Track Record Period, we maintained stable business relationships with our five largest customers.

We procure raw materials and components directly from our suppliers. The primary raw materials used in the production of new energy battery key materials include petroleum coke, needle coke, primary graphite, graphite crucibles and box boards, base separator films, binders, ceramic materials and fluorine-containing organic compounds. The primary raw materials used in the production of new energy battery automation equipment include coating dies, various rollers, motors, controllers, ovens and other components.

In 2023, 2024 and 2025, our purchases from our five largest suppliers amounted to RMB1,081.7 million, RMB800.5 million and RMB1,149.9 million, respectively, representing 12.5%, 17.3% and 14.0% of our total purchases for the respective years. Our purchases from our largest supplier in each year accounted for 4.1%, 4.1% and 3.9% of our total purchases, respectively. During the Track Record Period, we maintained stable business relationships with our five largest suppliers.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results of Operations

The following table summarizes our results of operations for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	15,292,852	13,398,812	15,655,757
Cost of sales	(11,339,110)	(10,435,779)	(11,000,839)
Gross profit	**3,953,742**	**2,963,033**	**4,654,918**
Other income and gains	545,748	527,569	475,191
Selling and distribution expenses	(196,521)	(161,739)	(155,368)
Administrative expenses	(713,622)	(681,199)	(834,007)
Research and development expenses	(960,650)	(743,384)	(888,241)
Impairment losses on financial and contract assets	(7,170)	(36,868)	(55,691)
Other expenses	(27,534)	(121,631)	(69,521)
Finance cost	(252,316)	(255,938)	(235,486)
Share of profits and losses of			
– Joint ventures	(16,969)	(25,627)	(19,994)
– Associates	42,811	55,506	86,558
Profit before tax	**2,367,519**	**1,519,722**	**2,958,359**
Income tax expenses	(214,368)	(132,499)	(344,408)
Profit for the year	**2,153,151**	**1,387,223**	**2,613,951**

Revenue

Revenue by Product Type

During the Track Record Period, we primarily generated our revenue through two main types of product, namely (i) new energy battery key materials and (ii) new energy battery automation equipment.

The following table sets forth a breakdown of our revenue by product type for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
New energy battery key materials	11,729,430	76.7	9,633,424	71.9	11,325,315	72.3
New energy battery automation equipment	3,421,882	22.4	3,672,486	27.4	4,148,247	26.5
Others[(1)]	141,540	0.9	92,902	0.7	182,195	1.2
Total	**15,292,852**	**100.0**	**13,398,812**	**100.0**	**15,655,757**	**100.0**

Note:

(1) Others primarily included revenue derived from the sale of scrap materials.

Revenue by Geographical Location

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

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)					
Chinese Mainland	13,010,804	85.1	11,982,478	89.4	14,719,306	94.0
Overseas[1]	2,282,048	14.9	1,416,334	10.6	936,451	6.0
Total	**15,292,852**	**100.0**	**13,398,812**	**100.0**	**15,655,757**	**100.0**

Note:

(1) Overseas primarily included Europe and Asia (except China). Our revenue from overseas decreased from 2023 to 2025, primarily due to a decrease in selling prices of our anode materials.

Sales Volume and Average Selling Price

The table below sets forth the breakdown of the sales volume and average selling prices by product type for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume[2]	Average selling prices	Sales volume[2]	Average selling prices	Sales volume[2]	Average selling prices
New energy battery key materials						
– Coated separators and film materials[1] (million m^2, RMB/m^2)	5,316	0.8	7,026	0.6	11,000	0.6
– Anode materials[1] (thousand tonnes, RMB/kg)	155	40.5	132	30.2	143	24.5
– Functional materials[1] (thousand tonnes, RMB/kg)	11	91.5	24	44.9	45	33.4
– CAAS electrode processing[3] (thousand m^2, RMB/m^2)	7	27.3	358	6.2	3,818	6.5
New energy battery automation equipment[4] (units, RMB'000/unit)	656	N/A	603	N/A	811	N/A

Notes:

(1) The average selling prices of the products declined year by year primarily due to the intensified market competition.

(2) The sales volume refers to those used for external sales only.

(3) As the CAAS electrode processing business was still in the business development stage in 2023, with the most orders for testing purpose, the relatively high average selling prices in 2023 was not meaningful as a reference metric.

(4) The average selling prices of our new energy battery automation equipment are not meaningful as a reference metric, primarily attributable to (i) the varying proportion of different equipment with a wide price range sold each year from our diverse product portfolio and (ii) the highly customized nature of our equipment.

Gross Profit and Gross Profit Margin

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

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
		(%)		(%)		(%)
	(RMB in thousands, except for percentage)					
New energy battery key materials	3,240,861	27.6	2,302,498	23.9	3,867,700	34.2
New energy battery automation equipment	693,421	20.3	621,357	16.9	718,143	17.3
Others[1]	19,460	13.7	39,178	42.2	69,075	37.9
Total	**3,953,742**	**25.9**	**2,963,033**	**22.1**	**4,654,918**	**29.7**

Note:

(1) Others primarily included revenue derived from the sale of scrap materials.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	15,006,036	18,688,782	19,541,330
Total current assets	28,668,910	23,414,773	26,729,377
Total current liabilities	20,391,011	16,858,311	19,910,806
Net current assets	8,277,899	6,556,462	6,818,571
Total assets less current liabilities	23,283,935	25,245,244	26,359,901
Total non-current liabilities	4,553,911	5,704,864	4,578,137
Net assets	18,730,024	19,540,380	21,781,764

Our net current assets increased from RMB6,556.5 million as of December 31, 2024 to RMB6,818.6 million as of December 31, 2025, primarily due to (i) an increase in financial assets at FVTPL resulting from our purchase of wealth management products and an increase in bills receivables in line with our sales growth, (ii) an increase in trade and bills receivables in line with our sales growth, partially offset by an increase in trade and bills payables in line with our sales growth.

Our net current assets decreased from RMB8,277.9 million as of December 31, 2023 to RMB6,556.5 million as of December 31, 2024, primarily due to (i) a decrease in inventories resulting from (a) a decrease in work in progress, finished goods and raw materials driven by our optimized inventory management, including strategically reduced procurement amount, consumption of existing inventories and increased self-supply of key raw materials and (b) a decrease in goods delivered as inventories of new energy battery automation equipment decreased and (ii) a decrease in cash and cash equivalents resulting from repayment of certain banking borrowings and the incurrence of capital expenditure, partially offset by a decrease in trade and bills payables resulting from a decrease in our raw material procurement resulting from our enhanced inventory management.

Summary of Consolidated Statements of Cash Flow

The following table sets forth our cash flows for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash flows from operating activities	1,117,806	2,371,683	2,697,298
Net cash flows used in investing activities	(4,984,329)	(3,708,754)	(2,974,026)
Net cash flows from/(used in) financing activities	6,592,318	(880,786)	(670,314)
Net increase/(decrease) in cash and cash equivalents	2,725,795	(2,217,857)	(947,042)
Cash and cash equivalents at beginning of year	5,621,506	8,352,507	6,136,514
Effect of foreign exchange rate changes, net	5,206	1,864	226
Cash and cash equivalents at end of year	8,352,507	6,136,514	5,189,698

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,		
	2023	2024	2025
Gross profit margin (%)(1)	25.9	22.1	29.7
Net profit margin (%)(2)	14.1	10.4	16.7
Current ratio(3)	1.4	1.4	1.3
Debt-to-asset ratio(4)	0.6	0.5	0.5

Notes:

(1) Gross profit margin is calculated by dividing gross profit by total revenue for the same period.

(2) Net profit margin is calculated by dividing net profit by total revenue for the same period.

(3) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

(4) Debt-to-asset ratio is calculated by dividing total liabilities by total asset as of the date indicated. Total debt is defined to include all interest-bearing borrowings and lease liabilities.

RISK FACTORS

We believe that there are certain risks involved in our operations, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business and industry; (ii) risks relating to where we conduct business; and (iii) risks relating to the [**REDACTED**]. You should read that section in its entirety carefully before you decide to invest in the [**REDACTED**]. Some of the major risks we face include, but are not limited to:

- Demand for our products is driven by the demand of our customers' products. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected.
- The average selling price of our products may face downward pressure, which will adversely affect our profit margins, result of operations and financial condition.
- Our success depends not only on our own ability but also on our customers' ability to develop and produce, market and sell their products in a timely and cost-efficient manner to address evolving preferences of their customers, regulatory standards and technological advancement.
- Our business is susceptible to any policy changes affecting the new energy vehicle, energy storage and consumer electronics industry, which may materially and adversely affect our business.
- We face intense competition in the industries in which we operate.
- We may not be able to achieve the desired benefits from our R&D efforts and achieve the most advanced technology or respond to the evolvement in industry standards.
- Changes in supply and costs of key raw materials, utilities, transportation, warehousing and other necessary supplies or services with respect to our business may impact our business, financial condition and results of operations.
- We may be subject to risks associated with our product quality.
- We are subject to risks associated with the overseas expansion of our business.
- We are exposed to credit risk of our customers and we may fail to collect our accounts receivables in a timely manner or at all.

USE OF PROCEEDS

Assuming the [**REDACTED**] is not exercised and the [**REDACTED**] is HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the range of the [**REDACTED**] stated in this document), after deducting [**REDACTED**], fees, and estimated expenses payable by us in connection with the [**REDACTED**], we estimate that we will receive net proceeds of approximately HK$[**REDACTED**] from the [**REDACTED**].

We intend to use our proceeds for the purposes, subject to adjustments based on our ongoing business needs and changing market conditions:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to further improve our production capabilities.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to support our R&D initiatives, primarily in advanced anode materials and separator materials, as well as novel solid-state battery electrolyte materials. We believe such investment will enhance our product offerings and better position us to capitalize on the future opportunities.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated for working capital and general corporate purposes.

See "Future Plans and Use of Proceeds."

OUR LISTING ON THE MAIN BOARD OF SHANGHAI STOCK EXCHANGE

Since November 2017, our Company's A Shares have been listed on the main board of Shanghai Stock Exchange. Our Directors confirmed that, as of the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisor advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we had complied with the relevant laws and regulations on A share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view, nothing has come to the Sole Sponsor's attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Liang is a direct beneficial owner of 531,510,881 A Shares and is deemed to be interested in a total of (i) 230,261,325 A Shares held by Ningbo Shengyue, in which Mr. Liang is the largest limited partner as to 84.50%; and (ii) 199,799,546 A Shares held by Ningbo Kuoneng, in which Mr. Liang acts as its general partner. Mr. Liang is the founder, chairman of the Board and an executive Director of our Company.

Ningbo Shengyue is a limited partnership established under the laws of the PRC on November 3, 2014, whose principal business is investment management. It is held by its general partner, Ms. Shao Xiaomei (邵曉梅), the spouse of Mr. Liang, as to 0.50%, and by its limited partners, Mr. Liang and Mr. Chen Wei, as to 84.50% and 15.00%, respectively. Ningbo Kuoneng is a limited partnership established under the laws of the PRC on August 14, 2015, whose principal business is investment management. It is held by its general partner, Mr. Liang, as to 1.0677%, and 18 limited partners, none of whom holds 30% or more interest therein.

As advised by the PRC Legal Advisor, Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng are parties deemed to be acting-in-concert pursuant to the applicable laws and regulations of the PRC. Therefore, Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng were in aggregate entitled to exercise the voting rights attached to 961,571,752 Shares and approximately 45.01% of our Shares in issue and constituted our Controlling Shareholders Group as of the Latest Practicable Date.

Immediately following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised, Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng will be entitled to exercise in aggregate the voting rights attached to approximately [**REDACTED**] of our Shares in issue. Assuming the [**REDACTED**] is exercised in full, Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng will be entitled to exercise in aggregate the voting rights attached to approximately [**REDACTED**]% of our Shares in issue. Accordingly, Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng will remain as the Controlling Shareholders Group of our Company upon Listing.

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] is completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**]; (ii) the [**REDACTED**] is not exercised; and (iii) 2,103,766,661 A Shares (excluding 32,632,415 treasury shares) are issued and outstanding following the completion of the [**REDACTED**]:

	Based on the [REDACTED] of [REDACTED] per H Share
Market capitalization of our Shares upon the completion of the [**REDACTED**][1]	HK$[REDACTED]
Market capitalization of our H Shares	HK$[REDACTED]
Unaudited pro forma adjusted consolidated net tangible assets per Share[2]	HK$[REDACTED]

Notes:

(1) The calculation of market capitalization of our Shares 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) and 2,103,766,661 A Shares (excluding 32,632,415 treasury shares) will be in issue immediately after completion of the [**REDACTED**] with an average closing price of the Company for the five trading days immediately preceding the Latest Practicable Date of RMB27.55 (or approximately HK$31.24) per A Share.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share as of December 31, 2025 was calculated after making the adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information" of this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, and there had been no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DIVIDEND POLICY

Pursuant to PRC laws and regulations, including the PRC Company Law (中華人民共和國公司法), and the Articles of Association, we have adopted an annual dividend policy. We prioritize distributing dividends in the form of cash, but may also distribute dividends in the form of stocks or a combination of cash and stocks. Except in certain special circumstances, the cash dividends distributed in a given year must not be less than 10% of the annual distributable profit for that year. Any proposed distribution of dividends is subject to the discretion of the Board of Directors and the approval at our Shareholders' meetings.

The following table sets forth the dividend that has been declared by us during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Final dividend	472,882	297,951	357,770

As of the Latest Practicable Date, dividends declared during 2023, 2024 and 2025 had been fully settled. In March 2026, we declared a final dividend of RMB483.9 million for the year ended December 31, 2025, which is expected to be paid before the Listing.

LISTING EXPENSES

Listing expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Listing expenses to be borne by us are estimated to be approximately HK$[**REDACTED**], comprising: (i) [**REDACTED**] fees of HK$[**REDACTED**]; and (ii) [**REDACTED**] related expenses of HK$[**REDACTED**], which are further categorized into: (a) fees and expenses of legal advisors and accountants of HK$[**REDACTED**]; and (b) other fees and expenses of HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range), approximately HK$[**REDACTED**] of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] of which is expected to be deducted from equity upon the completion of the [**REDACTED**].