In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong.

Given that (i) our Group's headquarters, senior management, business operations and assets are primarily based outside of Hong Kong; (ii) our executive Directors and members of the senior management team principally reside in China; and (iii) the management and operations of the Company have been mainly under the supervision and guidance of our executive Directors and senior management team, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operations located in China, the Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted us], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain, Mr. Liang, our executive Director and chairman of the Board, and Mr. Ng Tung Ching Raphael ("**Mr. Ng** "), our joint company secretary as our authorized representatives (together, the "**Authorized Representatives**") who shall act at all times as the principal channel of communication with the Stock Exchange upon Listing. Each of our Authorized Representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail (where available) to deal promptly with enquiries from the Stock Exchange and will be able to meet with the Stock Exchange within a reasonable timeframe on request. Each of our Authorized Representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;

(b) each of our Authorized Representatives has means to contact all 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. Pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number and/or email address (where available)) to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;

(c) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;

(d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Changjiang Corporate Finance (HK) Limited as our Compliance Advisor from the Listing Date to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the Listing Date. The Compliance Advisor will maintain constant contact with the Authorized Representatives, Directors and senior management of our

Company through various means, including regular meetings and telephone discussions whenever necessary. Our Authorized Representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules; and

(e) meetings between the Stock Exchange and our Directors will be arranged through the Authorized Representatives, or directly with our Directors within a reasonable timeframe. We will inform the Stock Exchange promptly in respect of any change in our Authorized Representatives and/or our Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT 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 considers the following factors in assessing the "relevant experience" of the individual:

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

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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

(d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Zhang Xiaoquan ("**Mr. Zhang**") as one of our joint company secretaries. Mr. Zhang has extensive experience in handling Board secretarial affairs and corporate management matters but 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 fulfil the requirements of the Listing Rules. Therefore, we have appointed Mr. Ng, who is an fellow of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom and meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Mr. Zhang for an initial period of three years from the Listing Date (the "**Waiver Period**") to enable Mr. Zhang 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. For details of their biographies, see "Directors and Senior Management — Joint Company Secretaries."

Given Mr. Ng's professional qualification and experience, he will be able to explain to both Mr. Zhang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Mr. Ng will also assist Mr. Zhang 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. Zhang is expected to work closely with Mr. Ng and will maintain regular contact with Mr. Ng. In addition, both Mr. Zhang and Mr. Ng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Mr. Zhang and Mr. Ng will also be assisted by the Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Zhang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, 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 Mr. Zhang may be appointed as a joint company secretary of our Company. The waiver is valid for the Waiver Period on the conditions that (a) Mr. Zhang must be assisted by Mr. Ng who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Mr. Ng ceases to provide assistance to Mr. Zhang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial Waiver Period, the qualifications of Mr. Zhang 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 before the expiration of the Waiver Period to enable it to assess whether Mr. Zhang, having benefited from the assistance of Mr. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of a 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 CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transaction(s) that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to these continuing connected transactions. For further details in this respect, see "Connected Transactions" in this document.

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the Accountants' Report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Proposed Acquisition after the Track Record Period

Since December 31, 2025 and up to the Latest Practicable Date, the Group has proposed to conduct the following acquisition (the completion of which had not occurred as of December 31, 2025, the "**Proposed Acquisition**"), the details of which are set out below.

No.	Name of the target company[1]	Consideration[2]	Percentage of shareholding/equity interest[2][3]	Principal business activities of the target company
1.	Target Company X	RMB80.0 million	5.0%	New energy technology R&D and promotion services

Notes:

1. It is expected that our Company will subscribe to the newly increase registered capital of the Target Company X. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company X is an Independent Third Party, and none of its current shareholders hold 20% or more of the registered capital therein.

2. This refers to the estimated consideration for the Proposed Acquisition, having considered various factors including the business operations and financial conditions of the Target Company X. As of the Latest Practicable Date, the terms and conditions of the Proposed Acquisition remain subject to arm's length negotiation among the relevant parties and may be subject to change.

3. The percentage of shareholding/equity interest represents the total shareholding currently expected to be held by the Company or a member of the Group in the relevant target company after the completion of the Proposed Acquisition.

As of the Latest Practicable Date, no memorandum of understanding or definitive agreement has been entered into by the Group in connection with the Proposed Acquisition. The Proposed Acquisition may or may not proceed.

We believe that the Proposed Acquisition will allow our Company to leverage the position of the Target Company X as a builder of downstream energy storage ecosystem, enabling closer collaboration with downstream customers and energy storage applications, which will further promote the synergies across our Company's materials, equipment and electrode processing businesses. Accordingly, our Directors believe that the Proposed Acquisition, if consummated, will be fair and reasonable and in the interests of the Shareholders as a whole.

Conditions for granting the waiver and its scope in respect of the Proposed Acquisition

We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Proposed Acquisition on the following grounds:

The percentage ratios of the Proposed Acquisition are less than 5% by reference to the most recent audited financial year of our Company's Track Record Period

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Proposed Acquisition are all less than 5% by reference to the most recent audited financial year of the Track Record Period.

Accordingly, we do not expect the Proposed Acquisition to result in any significant changes to our financial position since December 31, 2025, and all information that is reasonably necessary for potential investors to make an informed assessment of our activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

It would be unduly burdensome to obtain or prepare the historical financial information of the target company for inclusion in this document

Our Company only proposes to acquire minority interest in the target company. In addition, it would be unduly burdensome and impracticable and would require considerable time and resources for our Company and its Reporting Accountants to fully familiarize ourselves with the management accounting policies of the target companies and compile the necessary financial information in accordance with the Company's accounting policies for disclosure in this document. As such, our Company believes that it would be impractical and unduly burdensome for our Company to disclose the audited financial information of the target company as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules within the tight timeframe.

In addition, having considered the Proposed Acquisition to be immaterial and that our Company does not expect the Proposed Acquisition to have any material impact on its business, financial condition or operations, our Company believes that (i) it would not be meaningful and would be unduly burdensome for our Company to prepare and include the financial information of the target company during the Track Record Period in this document, and (ii) the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the Shareholders or prospective investors.

Alternative disclosure of the Proposed Acquisition in this document

We have disclosed alternative information about the Proposed Acquisition in this document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the target company's principal business activities, the consideration, the amount of equity interest to be acquired by our Company and the relationship with the counterparties and their ultimate beneficial owners (if any). The Company has, however, excluded disclosure of the name of the Target Company X and the sellers in connection with the Proposed Acquisition as we do not have consent from the other parties to the agreement for such disclosure.

Since the relevant percentage ratios of the Proposed Acquisition are less than 5% by reference to the most recent fiscal year of the Company's Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of our Company.

We have applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

WAIVER IN RELATION TO THE SHARE INCENTIVE SCHEME

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the "**Share Option Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this document. Our Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees. It is noted that that under paragraph 27 of Appendix 1A to the Listing Rules, where options have been granted to employees under a share scheme, it is not necessary to disclose the names and addresses of the grantees of the options; and

(c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to disclose, amongst others, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in this document.

As of the Latest Practicable Date, our Company had granted outstanding options under the 2025 Share Option Incentive Scheme to [262] grantees (including Directors and senior management of our Company as well as other eligible participants under the 2025 Share Option Incentive Scheme) to subscribe for an aggregate of [28,480,900] A Shares. As of the Latest Practicable Date, among the outstanding options, [5,200,000] A Shares were held by [one] Director and [five] members of senior management of our Company and [23,280,900] A Shares were held by [256] other eligible participants (who are not Directors, senior management of the Company or connected persons of the Company). The Shares underlying the granted options represent approximately [**REDACTED**]% of the total number of issued Shares immediately after completion of the [**REDACTED**] assuming no such option is exercised before Listing and that the [**REDACTED**] is not exercised at all. For further details of our Share incentive scheme, see the section headed "Statutory and General Information — (D) Share Incentive Scheme" in Appendix VI to this document.

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, in relation to the options granted under the 2025 Share Option Incentive Scheme. Strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons, among others:

(a) given that a total of [262] grantees are involved, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees who held options under the 2025 Share Option Incentive Scheme in this document would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation, document preparation and printing;

(b) the disclosure of the personal details of each grantee, including the number of options granted and addresses, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for the Company to obtain such consents given the number of grantees;

(c) the grant and exercise in full of the options under the 2025 Share Option Incentive Scheme will not cause any material adverse impact to the financial position of the Group;

(d) material information relating to the options under the 2025 Share Option Incentive Scheme will be disclosed in this document, including (i) a summary of the latest terms of the 2025 Share Option Incentive Scheme; (ii) the aggregate number of Shares subject to the options and the percentage of the Shares of which such number represents; (iii) the dilutive effect upon full exercise of the options immediately following completion of the Listing; (iv) full details of the options granted to Directors and members of the senior management and other connected persons (if any) of the Company, on an individual basis, are disclosed in this document and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and Paragraph 10 of Part I of the Third Schedule to the C(WUMP)O; and (v) the particulars of the waiver granted by the Stock Exchange and the exemption granted by the SFC. The Directors consider that the information that is reasonably necessary for potential investors to make an informed assessment of the Company in their investment decision making process has been included in this document; and

(e) the lack of full compliance with such disclosure requirements will not prevent potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the investing public.

In light of the above, our Directors are of the view that the grant of the waiver sought and the non-disclosure of the required information will not prejudice the interests of the investing public.

The Stock Exchange [has granted] to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the 2025 Share Option Incentive Scheme on the condition that the following information will be clearly disclosed in this document:

(a) on individual basis, full details of all the outstanding options granted by the Company under the 2025 Share Option Incentive Scheme to each of the Directors and members of senior management of the Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules;

(b) in respect of the outstanding options granted by the Company under the 2025 Share Option Incentive Scheme to the grantees other than those referred to above, disclosure is made on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) 1 to 5,000 Shares; (2) 5,001 to 50,000 Shares; and (3) 50,001 to 5,000,000 Shares, of (1) the aggregate number of grantees and number of Shares underlying the options under the 2025 Share Option Incentive Scheme; (2) the consideration paid for the grant of the options under the 2025 Share Option Incentive Scheme; and (3) the exercise period and the exercise price of the options granted under the 2025 Share Option Incentive Scheme;

(c) the dilution effect upon full exercise of the outstanding options granted under the 2025 Share Option Incentive Scheme;

(d) the aggregate number of Shares subject to the options granted by the Company under the 2025 Share Option Incentive Scheme, and the percentage of the Company's issued share capital of which such number represents;

(e) the respective summary of the major terms of 2025 Share Option Incentive Scheme;

(f) the grant of a certificate of exemption under the C(WUMP)O from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the C(WUMP)O; and

(g) a full list of all the grantees (including those persons whose details have already been disclosed in this document) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the C(WUMP)O will be made available for inspection in the section headed in accordance with "Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in Appendix VII to this document.

The SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, subject to the conditions that the following information will be clearly disclosed in this document:

(a) on individual basis, full details of all the outstanding options granted by the Company under the 2025 Share Option Incentive Scheme to each of the Directors, members of senior management and other connected person, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules;

(b) in respect of the outstanding options granted by the Company under the 2025 Share Option Incentive Scheme to the grantees other than those referred to above, disclosure is made on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being (1) 1 to 5,000 Shares; (2) 5,001 to 50,000 Shares; and (3) 50,001 to 5,000,000 Shares, of (1) the aggregate number of grantees and number of Shares underlying the options under the 2025 Share Option Incentive Scheme; (2) the consideration paid for the grant of the options under the 2025 Share Option Incentive Scheme; and (3) the exercise period and the exercise price of the options granted under the 2025 Share Option Incentive Scheme;

(c) a full list of all the grantees (including those persons whose details have already been disclosed in this document) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the C(WUMP)O will be made available for inspection in the section headed in accordance with "Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in Appendix VII to this document.

WAIVER IN RESPECT OF STRICT COMPLIANCE WITH PRACTICE NOTE 15 AND THE THREE-YEAR RESTRICTION ON SPIN-OFFS

Paragraph 3(b) of Practice Note 15 of the Hong Kong Listing Rules (the "**PN15**") provides that the Listing Committee would not normally consider a spin-off application within three years of the date of listing of the issuer with regard to proposals submitted by issuers to effect the separate listing on the Hong Kong Stock Exchange or elsewhere of assets or business wholly or partly within their existing groups, given the original listing of the issuer will have been approved on the basis of the issuer's portfolio of businesses at the time of listing, and that the expectation of investors at that time would have been that the issuer would continue to develop those businesses (the "**Three-year Spin-off Restriction**").

Katop Automation was established by the Company in July 2017 and was held as to 71.54% by the Company as of the Latest Practicable Date. Katop Automation and its subsidiaries (collectively, the "**Spin-off Group**") primarily acted as the business platform for the automation equipment business of our Group as of the Latest Practicable Date. Considering that the requirements for production and operation of the automation equipment business are different from the new energy battery materials business of the Company, Katop Automation has been operated as an independent business unit within the Group as of the Latest Practicable Date.

As of December 31, 2025, according to the audit report prepared under the PRC GAAP, the total assets of Katop Automation was approximately RMB10,039.97 million, representing approximately 21.70% of the total assets of the Group as of December 31, 2025 prepared under the PRC GAAP. For the year ended December 31, 2025, according to the audit report prepared under the PRC GAAP, the revenue and net profits of Katop Automation prepared under the PRC GAAP reached approximately RMB4,515.29 million and RMB191.82 million, respectively. If Katop Automation were to become an independent listed company, it will enable Katop Automation to enhance its corporate profile, thereby increasing its ability to attract strategic investors.

On June 30, 2023, Katop Automation signed a written tutoring agreement with CSC Financial Co., Ltd. (中信建投證券股份有限公司) regarding its [**REDACTED**] and listing. On the same day, it submitted its tutoring filing application materials to the Jiangsu Regulatory Bureau of the CSRC. Katop Automation was listed on the National Equities Exchange and Quotations (NEEQ) in December 2025. Subsequently, and on March 5, 2026, its board of directors approved a proposal to change its [**REDACTED**] and listing on the main board of the Shanghai Stock Exchange to a [**REDACTED**] of shares to unspecified qualified investors and listing on the Beijing Stock Exchange ("**BSE**"). The proposed [**REDACTED**] and listing on the BSE is subject to approval by the respective shareholders' meetings of Katop Automation and the Company. As of the Latest Practicable Date, Katop Automation had not yet submitted a listing application to the BSE.

Having considered, among others, the size of Katop Automation as illustrated above, its clear delineation with the Company's other businesses in terms of primary business, production and operation and management, and that it has resolved and announced the proposed listing on the BSE, the Company wishes to retain the possibility to spin off Katop Automation within three years after the Listing (the "**Proposed Spin-off**"). Following the Proposed Spin-off, the remaining members of the Group excluding Katop Automation and its subsidiaries (collectively, the "**Retained Group**") will continue to operate the Group's other businesses, and Katop Automation is expected to continue to be a subsidiary of the Company.

The Company has applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the Three-year Spin-off Restriction under paragraph 3(b) of PN15 on the following grounds:

(a) **Full compliance with PN15**: except for the Three-year Spin-off Restriction, the Proposed Spin-off will be in full compliance with all other applicable requirements under the Listing Rules, including but not limited to (i) the requirement for the retained group to retain a sufficient level of operations and sufficient assets to support our Company's separate listing status, (ii) a clear delineation between the businesses of the Retained Group and the spun-off group, (iii) independence of the spun-off group in terms of directorship and management, administration, business operation, financing and treasury function, and (iv) announcement or shareholders' approval procedures, as applicable, at the time of spin-off. The Company will demonstrate such compliance if the Proposed Spin-off materializes.

(b) **No material impact on the Group's overall performance**: as disclosed above, total assets of Katop Automation as of December 31, 2025 according to the audit report prepared under the PRC GAAP were RMB10,039.97 million, accounting for approximately 21.70% of total assets of the Group as of December 31, 2025, and revenue and net profits of Katop Automation for the year ended December 31, 2025 were approximately RMB4,515.29 million and RMB191.82 million, respectively, accounting for approximately 28.74% and 8.13% of those of the Group for the year ended December 31, 2025. Given the size of operation of the Group, the Group will still retain a substantial proportion of business operation upon completion of the Proposed Spin-off and the Retained Group is still expected to satisfy the profits test under Rule 8.05(1) of the Hong Kong Listing Rules. In addition, the business of Katop Automation will be clearly delineated with the other businesses in terms of primary business, production and operation and management. As such, the Proposed Spin-off will not have any material adverse impact to operations of remaining businesses of the Group.

(c) **In line with Shareholders' interests**: the Company believes that the Proposed Spin-off could better reflect the value of Katop Automation on its own merits and increase its operational and financial transparency, through which investors would be able to appraise and assess the performance and potential of Katop Automation separately and distinctly from those of the remaining businesses of the Group. The value of Katop Automation is expected to be enhanced through the Proposed Spin-off given that a listing will enhance its profile and enable it to directly and independently access both equity and debt capital markets. In addition, the Proposed Spin-off will facilitate the Company to structure dedicated equity incentive schemes for the management of Katop Automation, particularly those were retained by the Group upon completion of the acquisition. As such, it is in the interest of the Shareholders and the Company as a whole to conduct the Proposed Spin-off.

(d) **No material adverse effect on the expectation of the investors at the time of Listing**: upon the Proposed Spin-off, the investors can expect to continue to benefit from the growth of Katop Automation and Katop Automation is expected to continue to be a subsidiary of our Company. Also, as elaborated above, the impact for the Proposed Spin-off on the overall business performance and financial positions is expected to be insignificant to the Group as a whole. At the time of Listing, considering that Katop Automation is already listed on the NEEQ and it will continue to release information regarding its proposed listing on the BSE, there should be minimal impact on the [**REDACTED**] resulting from the expectation of investors on the Proposed Spin-off.

(e) **Safeguards in place to protect Shareholders' interests**: The following safeguards will be in place to protect the Shareholders' interest:

(1) the Directors owe fiduciary duties to the Company, including the duty to act in good faith and in the best interest of the Shareholders. As such, the Directors will only pursue the Proposed Spin-off if there are clear commercial benefits for both the Company and Katop Automation. The Directors will not direct the Company to conduct the Proposed Spin-off if they believe that it will have an adverse impact on the interests of the Company and the Shareholders as a whole;

(2) in the event that the waiver from strict compliance with Three-year Spin-off Restriction is granted, it will not dispense with the requirement to obtain the approval from the Stock Exchange for the Proposed Spin-off, which will be evaluated with reference to the facts prevailing at the time of submission of the spin-off application. The Proposed Spin-off will remain subject to the other requirements of PN15, including that the Company will satisfy applicable listing eligibility requirements on a standalone basis;

(3) sufficient information will be provided to the Shareholders to assess the impact of the Proposed Spin-off. In particular, details of this waiver will be disclosed in the document, and the Company will also announce in accordance with the Listing Rules the details of the Proposed Spin-off when it materializes. In addition, the Company will update its plan and status of the Proposed Spin-off in its annual and interim reports after the Listing, so that the Shareholders will obtain periodic updates on the progress of the Proposed Spin-off;

(4) after the Listing, the Company will follow the relevant disclosure requirement and approval procedures pursuant to the applicable requirements under the Listing Rules and applicable PRC laws and regulations, including the Shareholders' approval pursuant to Rules for the Spin-off of Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》); and

(f) **Robust disclosures of Katop Automation and the Proposed Spin-off**: details of Katop Automation, including its financial information relating to the total assets, revenue and net profits for the year ended December 31, 2025, and the Proposed Spin-off will be disclosed in the document in addition to those information which has already been disclosed in the document.

The Stock Exchange [has granted] the Company a waiver from strict compliance with the Three-year Spin-off Restriction under paragraph 3(b) of PN15, subject to the following conditions:

(i) disclosures of this waiver will be made in the document;

(ii) details of Katop Automation, including its principal scope of businesses and its total assets, revenue and net profits for the year ended December 31, 2025, will be disclosed in the document;

(iii) the Company will announce the details of the Proposed Spin-off in accordance with the Listing Rules when it materializes;

(iv) the Company will update the plan and status of the Proposed Spin-off in its annual and interim reports after the Listing; and

(v) the Company will comply with the applicable requirements under the Listing Rules, including but not limited to requirements under Chapters 14 and 14A of the Listing Rules (if applicable) and PN15 (other than paragraph 3(b) thereof) with respect to the Proposed Spin-off.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]