OVERVIEW

Our Company was founded by Mr. Liang and Mr. Chen Wei under the laws of the PRC on November 6, 2012. We are a leading comprehensive solutions provider in the upstream of the new energy battery value chain. In the new energy era, we redefine the boundaries through materials innovation and lead the future through intelligent manufacturing. We empower the world's top new energy battery enterprises and committed to becoming an architect and leader in the sector. 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, and create value for energy conservation and environmental protection and sustainable global energy development.

In December 2015, our Company was converted into a joint stock limited company from a limited liability company. In November 2017, our Company's A Shares became listed on the main board of Shanghai Stock Exchange (stock code: 603659). See "— Major Shareholding Changes in Our Company — Conversion into Joint Stock Limited Company and Listing on the Main Board of Shanghai Stock Exchange" for further details.

As of the Latest Practicable Date, our total issued share capital was held as to approximately 45.01% by our Controlling Shareholder Group, including Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng. See "Relationship with our Controlling Shareholders Group" for the background of our Controlling Shareholder Group.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key business development milestones:

Year	Milestone
2012	Our Company was established in November 2012.
	We established Jiangxi Zichen, our wholly-owned subsidiary, to develop our anode material business.
2013	We established Shenzhen Katop and expanded our footprint in the lithium battery front-stage business.
2014	We expanded our footprint in coated separator business.
2015	We were converted into a joint stock limited company from a limited liability company.
2017	We established Katop Automation and consolidated the industrial platform of core lithium battery equipment.
	Our Company's A Shares were listed on the main board of Shanghai Stock Exchange in November 2017.
2018	We established our anode material business in Inner Mongolia, initially realizing the industrial layout of the entire anode material process.

Year	Milestone
2020	We invested and constructed a production base in Sichuan Province, leveraging local hydropower resources and industrial policy advantages to serve the markets in Southwest China and utilizing the China-Europe Railway Express to reach overseas markets. We completed our non-public offering of A Shares raising approximately RMB4.59 billion.
2021	We obtained controlling stake in Ruyuan Fluorine Resin and invested in Sichuan Indigo Material Technology Group Co., Ltd. (四川茵地樂材料科技集團有限公司), expanding into the PVDF and adhesives business. The coated separator production and lithium battery equipment manufacturing project for our base in South China was launched in Zhaoqing, Guangdong Province, further supporting the market in South China.
2022	We completed our non-public offering of A Shares raising approximately RMB2.8 billion. The installation and commissioning of new-generation base separator film production line was completed and trial production was successfully commenced.
2023	We established Jiangsu Zhuoli and planned to invest in a R&D project to build composite current collectors with an annual output of 16,000 tons.
2024	The diaphragm coating dark factory was successfully put into operation, significantly improving the level of production automation. We progressed a 12,000-ton silicon-based anode project, improving our anode material product portfolio and providing capacity assurance for the high-end market.
2025	Our AET diaphragm coating processing business achieved rapid growth, with annual shipments exceeding 10 billion square meters, maintaining leading position in the industry. Our base separator film production line with a single-line capacity of 200 million square meters commenced stable operation.
2026	We planned to expand our overseas production base for anode materials.

OUR MAJOR SUBSIDIARIES

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 incorporation	Date of incorporation	Principal business activities	Equity interest attributable to our Group
Jiangxi Zichen	PRC	December 21, 2012	Manufacturing of battery materials	100.00%
Shenzhen Katop	PRC	March 22, 2013	Manufacturing of automation equipment	71.54%

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities	Equity interest attributable to our Group
Ruyuan Fluorine Resin . . .	PRC	November 21, 2013	Manufacturing of battery materials	60.00%
Ningde Zhuogao	PRC	November 18, 2015	Manufacturing of battery materials	100.00%
Jiangsu Zhuogao	PRC	April 17, 2017	Manufacturing of battery materials	100.00%
Katop Automation	PRC	July 17, 2017	Manufacturing of automation equipment	71.54%
Sichuan Zhuoqing	PRC	November 26, 2020	Manufacturing of battery materials	100.00%
Sichuan Zichen	PRC	January 15, 2021	Manufacturing of battery materials	100.00%

As of the Latest Practicable Date, our other subsidiaries were principally engaged in, among others, research and development, manufacturing and sale of new energy battery materials and equipment.

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

Establishment of our Company

On November 6, 2012, our Company was established in the PRC as a limited liability company with an initial registered capital of RMB100 million.

Conversion into Joint Stock Limited Company and Listing on the Main Board of Shanghai Stock Exchange

In December 2015, our Company was converted into a joint stock limited company from a limited liability company. In November 2017, our Company's A Shares were listed on the main board of Shanghai Stock Exchange (stock code: 603659) (the "**A-Share Listing**"). Pursuant to the A-Share Listing, our Company issued an aggregate of 63,702,900 A Shares, accounting for 14.7% of our Company's total share capital immediately following the completion of the A-Share Listing.

Subsequent Shareholding Changes

Since our A-Share Listing in November 2017, the share capital of our Company changed from time to time, including as a result of additional A Shares issued by us under our share incentive schemes and non-public offering of A Shares. For details of changes in share capital of our Company within the two years immediately preceding the date of this document, see "Statutory and General Information — (A) Further Information about our Group — 2. Changes in Share Capital of Our Company" in Appendix VI to this document. As of the Latest Practicable Date, the total issued share capital of our Company was 2,136,399,076 A Shares, including 32,632,415 A Shares repurchased by our Company pursuant to the repurchase mandate approved by our Board and held in our Company's stock repurchase account as treasury shares.

OUR LISTING ON THE MAIN BOARD OF SHANGHAI STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE HONG KONG 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 Company seeks to be listed on the Hong Kong Stock Exchange in order to promote our overseas business and enhance our overseas footprint, facilitate access to global capital markets, strengthen our global profile and enhance our competitiveness. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

SHARE INCENTIVE SCHEME

In order to incentivize our employees, we adopted a Share incentive scheme. See "Statutory and General Information — (D) Share Incentive Scheme" in Appendix VI to this document for details.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

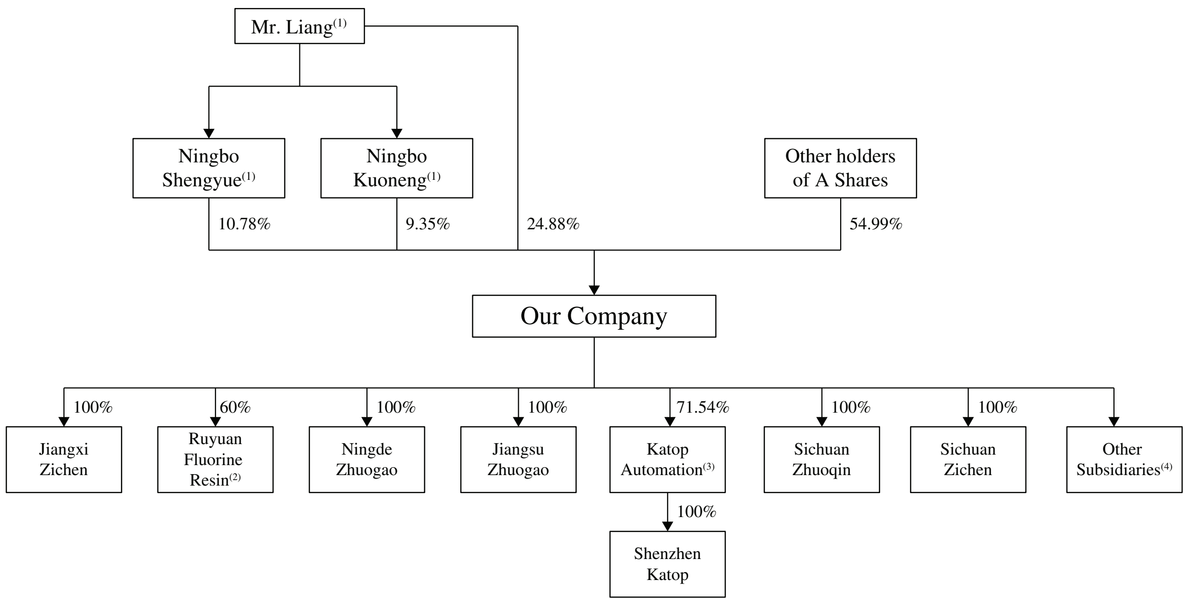
We did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

[**REDACTED**]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and corporate structure immediately before the [REDACTED]

The following chart sets forth a simplified shareholding structure of our Group immediately prior to the completion of the [**REDACTED**], assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and Listing:



Notes:

(1) Mr. Liang, Ningbo Shengyue and Ningbo Kuoneng constitute our Controlling Shareholders Group. See "Relationship with our Controlling Shareholders Group" for further details.

As of the Latest Practicable Date, a total of 239,010,000 A Shares held by Mr. Liang, representing approximately 11.19% of the total issued Shares, had been pledged. Details are as below:

(i) 50,400,000 A Shares and 70,000,000 A Shares, representing approximately 2.36% and 3.28% of the total issued Shares, respectively, had been pledged in favor of Guotong Trust Co., Ltd. (國通信託有限責任公司), an Independent Third Party in connection with stock pledge financing replacement. The pledges will expire on June 6, 2026 and July 2, 2026, respectively; (ii) 31,250,000 A Shares, representing approximately 1.46% of the total issued Shares, had been pledged in favor of Huaneng Guicheng Trust Co., Ltd. (華能貴誠信託有限公司), an Independent Third Party in connection with stock pledge financing replacement. The pledge will expire on July 8, 2026; (iii) 45,680,000 A Shares, representing approximately 2.14% of the total issued Shares, had been pledged in favor of CITIC Securities Co., Ltd. (中信證券股份有限公司), an Independent Third Party in connection with stock pledge financing replacement. The pledge will expire on July 7, 2026; and (iv) 20,730,000 A Shares and 20,950,000 A Shares, representing approximately 0.97% and 0.98% of the total issued Shares, respectively, had been pledged in favor of Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司), an Independent Third Party in connection with Mr. Liang's own financing needs. The pledges will expire on December 10, 2026 and December 11, 2026, respectively. It is expected that all the above-mentioned pledges will be renewed upon expiry.

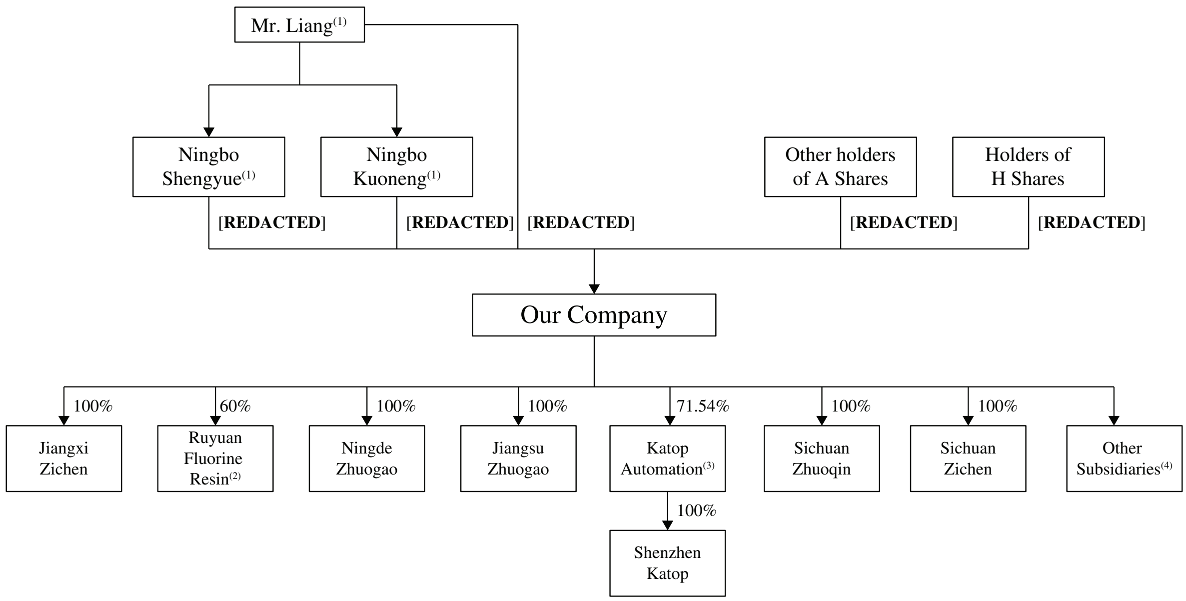
(2) As of the Latest Practicable Date, Ruyuan Fluorine Resin was held as to 60% by our Company and 40% by Ruyuan Dongyangguang Fluorine Co., Ltd. (乳源東陽光氟有限公司) ("**Ruyuan Fluorine**"), which in turn was held as to 82.4353% by Guangdong HEC Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司) ("**GD HEC**"), a company listed on the Shanghai Stock Exchange (stock code: 600673). Since Ruyuan Fluorine is a substantial shareholder of Ruyuan Fluorine Resin, both Ruyuan Fluorine and GD HEC are connected persons of our Company.

(3) Apart from our Company, none of the other shareholders of Katop Automation held 10% or more of the issued share capital therein as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, our Company had more than 40 subsidiaries, including our Major Subsidiaries.

Shareholding and corporate structure upon completion of the [REDACTED]

The following chart sets forth the shareholding and beneficial ownership structure of our Group immediately following the completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and Listing:



Notes:

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