Upon Listing, certain transactions between our Group and our connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

Our Company has entered into agreements with the following connected persons, the transactions contemplated under such agreements will constitute our continuing connected transactions upon Listing:

Name of our connected person	Connected relationship
Shanghai Jayson New Energy Materials Group Co., Ltd. (上海錦源晟新能源材料集團有限公司) ("**Shanghai Jayson**")	As of the Latest Practicable Date, Shanghai Jayson was (i) directly held as to 27.6396% by Mr. Liang; and (ii) held as to 16.5837% by Kuoyuan Enterprise Management (Shanghai) Co., Ltd. (闊元企業管理(上海)有限公司), which was wholly owned by Mr. Liang. As such, Shanghai Jayson is an associate of Mr. Liang and a connected person of our Company.
Sichuan Indigo Material Technology Group Co., Ltd. (四川茵地樂材料科技集團有限公司) ("**Sichuan Indigo**")	As of the Latest Practicable Date, Sichuan Indigo was held as to 71.00% by Shanghai Porigine Chemical Material Group Co., Ltd. (上海璞源化學材料集團股份有限公司, formerly known as "日播時尚集團股份有限公司") (a company listed on the Shanghai Stock Exchange (stock code: 603196)), which was controlled by Mr. Liang. Therefore, Sichuan Indigo is an associate of Mr. Liang and a connected person of our Company.
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))	As of the Latest Practicable Date, one of our major subsidiaries, Ruyuan Fluorine Resin, was held as to 40.00% by Ruyuan Dongyangguang Fluorine Co., Ltd. (乳源東陽光氟有限公司), which in turn was held as to 82.4353% by GD HEC. Therefore, GD HEC is an associate of Ruyuan Fluorine Resin and a connected person of our Company.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

We entered into the following transactions with the above-mentioned connected persons that will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules upon Listing:

Nature of transactions	Counterparty	Applicable Listing Rules	Waiver sought
Fully exempt continuing connected transactions			
Lease agreement with Shanghai Jayson	Shanghai Jayson	14A.76	Not applicable
Non-exempt continuing connected transactions (subject to annual reporting, announcement and annual review requirements)			
Sichuan Indigo Product Procurement and Sales Framework Agreement	Sichuan Indigo	14A.35, 14A.49, 14A.55, 14A.56, 14A.71, 14A.105	Requirement as to announcement
GD HEC Product Procurement and Sales Framework Agreement . . .	GD HEC	14A.35, 14A.49, 14A.55, 14A.56, 14A.71, 14A.105	Requirement as to announcement

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

On January 1, 2026, we entered into a lease agreement (the "**Lease Agreement**") with Shanghai Jayson, pursuant to which we have agreed to lease the second floor of one of our owned properties to Shanghai Jayson for a monthly rent of RMB32,000 from January 1, 2026 to December 31, 2026. The rent has been determined after arm's length negotiations between our Company and Shanghai Jayson with reference to the location, function and size of the property, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property.

As all applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transaction contemplated under the Lease Agreement are below 0.1%, the transaction under the Lease Agreement constitutes *de minimis* transactions and is fully exempt from the annual reporting, announcement, circular and independent Shareholders' approval, and annual review requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions in the ordinary and usual course of our business, which will, upon Listing, constitute continuing connected transactions of the Company subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules (the "**Non-exempt Continuing Connected Transactions**").

1. Sichuan Indigo Product Procurement and Sales Framework Agreement

Principal terms

On February 5, 2026, our Company (for itself and on behalf of its subsidiaries) entered into a product procurement and sales framework agreement with Sichuan Indigo (for itself and on behalf of its subsidiaries) (the "**Sichuan Indigo Product Procurement and Sales Framework Agreement**"), pursuant to which our Group will (i) procure raw materials such as binders from Sichuan Indigo and/or its subsidiaries; (ii) sell equipment and products such as Nano-alumina to Sichuan Indigo and/or its subsidiaries; and (iii) provide consigned processing and other services to Sichuan Indigo and/or its subsidiaries.

The initial term of the Sichuan Indigo Product Procurement and Sales Framework Agreement commenced on January 1, 2026 and will end on December 31, 2026, subject to renewal through mutual consent by the parties and compliance with all applicable laws and regulations including the Listing Rules. The parties will enter into separate agreements setting out the specific terms and conditions in respect of the transactions based on the principles under the Sichuan Indigo Product Procurement and Sales Framework Agreement.

Reasons for and benefits of the transaction

Sichuan Indigo (together with its subsidiaries, "**Sichuan Indigo Group**") is principally engaged in the R&D, production and sales of binders specifically for lithium-ion batteries. Its products have gained recognition from downstream power battery customers and new energy vehicle manufacturers in China. Our Group has established a continuous business relationship with Sichuan Indigo Group to support our Group's main business development considering in particular the following:

(1) **Securing stable supply of key raw materials**. Sichuan Indigo Group is a key supplier of binders essential to our Group's separator coating business. Procuring binders and related products from Sichuan Indigo Group ensures a stable and high-quality supply of raw materials necessary for our Group's production operations.

(2) **Leveraging complementary capabilities and achieving operational synergies**. Sichuan Indigo Group possesses specialized R&D and production capabilities in the field of lithium-ion battery binders. By providing consigned processing services to Sichuan Indigo Group, such as fluorine processing, we can leverage our specialized expertise in specific process stages, achieving production synergies and complementary resource allocation. Additionally, selling equipment and nano-alumina products to Sichuan Indigo Group can optimize our Group's asset utilization efficiency and expand our product distribution channels.

(3) **Deepening strategic partnership**. Our Group and Sichuan Indigo Group have established a long-term strategic partnership. Continuing this cooperation strengthens the synergies across technology development, market access and supply chain management, creating mutual benefits that align with our Group's overall strategic objectives.

Pricing policies

In respect of procurement of raw materials, the fees payable by us to Sichuan Indigo and/or its subsidiaries shall be determined with reference to prevailing market rate. The terms under the Sichuan Indigo Product Procurement and Sales Framework Agreement in relation to procurement of raw materials shall not be less favorable than the terms available to our Group for the procurement of same or comparable raw materials from Independent Third Parties (to the extent available) taking into account the quantity and quality of the raw materials and other transactions terms such as payment terms.

When we procure such products in our ordinary and usual course of business, we select suppliers and determine the relevant terms of procurement through arms' length negotiation. We select the most suitable suppliers available for selection, which comprise our connected persons and other Independent Third Parties, taking into account the pricing terms, quantity, our particular business needs, payment terms and other factors. Sichuan Indigo and/or its subsidiaries, like other Independent Third Parties, will need to go through our internal selection and approval procedures in order to become our suppliers under the Sichuan Indigo Product Procurement and Sales Framework Agreement.

In respect of sales of products and provision of services, the fees receivable by us from Sichuan Indigo and/or its subsidiaries shall be determined with reference to prevailing market rate. The terms under the Sichuan Indigo Product Procurement and Sales Framework Agreement in relation to sales of products and provision of services shall not be less favorable than the terms available to our Group for the sales of products and provision of services to Independent Third Parties (to the extent available) taking into account the quantity and quality of products, delivery time and other transactions terms such as payment terms.

Similar to other independent suppliers of Sichuan Indigo and/or its subsidiaries, we are required to go through their internal procurement and approval procedures as well as commercial negotiation before becoming their suppliers. Sichuan Indigo and/or its subsidiaries have the discretion to select us to be their suppliers based on their commercial needs and the suitability of the products and/or services that we offer and other objective criteria including the quantity and quality of our products and other transaction terms such as pricing terms and payment terms.

Historical amounts

The transaction amounts paid by us to Sichuan Indigo and/or its subsidiaries in respect of procurement of raw materials for the years ended December 31, 2023, 2024 and 2025 were approximately RMB44.4 million, RMB43.3 million and RMB47.5 million, respectively.

The transaction amounts received by us from Sichuan Indigo and/or its subsidiaries in respect of sales of products and provision of services for the years ended December 31, 2023, 2024 and 2025 were approximately RMB1.4 million, RMB1.0 million and RMB1.9 million, respectively.

Annual caps and basis of determination

The maximum aggregate annual amount of the transaction amount payable by us to Sichuan Indigo and/or its subsidiaries in relation to procurement of raw materials for the year ending December 31, 2026 is not expected to exceed RMB90 million.

The above annual cap was determined based on the following factors:

(i) historical transaction amounts and historical trend of the three years ended December 31, 2023, 2024 and 2025 under the existing product procurement arrangements between the parties; and

(ii) the expected increase of our Group's demand of binders under the Sichuan Indigo Product Procurement and Sales Framework Agreement, taking into account our overall operation plan and the estimated expansion of our business for the year ending December 31, 2026.

The maximum aggregate annual amount of the transaction amount receivable by us from Sichuan Indigo and/or its subsidiaries in relation to sales of products and provision of services for the year ending December 31, 2026 is not expected to exceed RMB20 million.

The above annual cap was determined based on the following factors:

(i) historical transaction amounts and historical trend of the three years ended December 31, 2023, 2024 and 2025 under the existing product sales and services provision arrangements between the parties; and

(ii) the expected stable demand of our products and services arising out of the expansion of the business of Sichuan Indigo Group.

Listing Rules implications

In respect of the transactions as described above under the Sichuan Indigo Product Procurement and Sales Framework Agreement, the highest applicable percentage ratio (other than profits ratio) is expected to exceed 0.1%, but all applicable percentage ratios are less than 5%, on an annual basis. Such transactions will, upon Listing, constitute continuing connected transactions of the Company subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but will be exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. GD HEC Product Procurement and Sales Framework Agreement

Principal terms

On [●], 2026, our Company (for itself and on behalf of its subsidiaries) entered into a product procurement and sales framework agreement with GD HEC (for itself and on behalf of its subsidiaries) (the "**GD HEC Product Procurement and Sales Framework Agreement**", together with the Sichuan Indigo Product Procurement and Sales Framework Agreement, the "**Framework Agreements**"), pursuant to which our Group will (i) procure products such as Chlorodifluoromethane, liquid alkali, liquid chlorine, and natural gas from GD HEC and/or its subsidiaries; (ii) procure processing services for PVDF products from GD HEC and/or its subsidiaries; and (iii) sell hydrochloric acid and other by-products to GD HEC and/or its subsidiaries.

The initial term of the GD HEC Product Procurement and Sales Framework Agreement commenced on the Listing Date and will end on December 31, 2026, subject to renewal through mutual consent by the parties and compliance with all applicable laws and regulations including the Listing Rules. The parties will enter into separate agreements setting out the specific terms and conditions in respect of the transactions based on the principles under the GD HEC Product Procurement and Sales Framework Agreement.

Reasons for and benefits of the transaction

The main products of GD HEC (together with its subsidiaries, "**GD HEC Group**") cover chemical materials and energy materials. It is the only production enterprise in South China with a complete fluorochlorination industry chain and it possesses the qualifications to handle hazardous chemicals such as hydrochloric acid, which our Group does not have. Besides, GD HEC Group's provision capacity for liquid alkali, liquid chlorine and natural gas and PVDF processing ability can meet our Group's needs in the production and operation of lithium battery main and auxiliary materials.

Our Group has established a continuous business relationship with GD HEC Group to support our Group's main business development considering in particular the following:

(1) **Securing stable supply of key raw materials**. GD HEC Group is a key supplier of the chemical materials required for our Group's PVDF products. Procuring products from GD HEC Group ensures a stable and high-quality supply of materials necessary for our Group's production operations.

(2) **Nearby location**. The fluorochemical and chlor-alkali chemical material production companies under the GD HEC Group are geographically close to our subsidiaries responsible for PVDF production, which can help our Group process byproducts such as hydrochloric acid nearby, improving the safety of chemical transportation and reducing logistics costs.

(3) **Supplement to our Group's PVDF production**. GD HEC Group has established capabilities in post-PVDF processing, particularly in the drying stage. During periods of tight PVDF supply, our Company can engage GD HEC Group for these processing services, thereby ensuring uninterrupted product delivery to customers.

Pricing policies

In respect of procurement of products and services, the fees payable by us to GD HEC and/or its subsidiaries shall be determined with reference to prevailing market rate. The terms under the GD HEC Product Procurement and Sales Framework Agreement in relation to procurement of products and services shall not be less favorable than the terms available to our Group for the procurement of same or comparable products or services from Independent Third Parties (to the extent available) taking into account the quantity and quality of the products and the services and other transactions terms such as payment terms.

When we procure such products and services in our ordinary and usual course of business, we select suppliers and determine the relevant terms of procurement through arms' length negotiation. We select the most suitable suppliers available for selection, which comprise our connected persons and other Independent Third Parties, taking into account the pricing terms, quantity, our particular business needs, payment terms and other factors. GD HEC and/or its subsidiaries, like other Independent Third Parties, will need to go through our internal selection and approval procedures in order to become our suppliers under the GD HEC Product Procurement and Sales Framework Agreement.

In respect of sales of products, the fees receivable by us from GD HEC and/or its subsidiaries shall be determined with reference to prevailing market rate. The terms under the GD HEC Product Procurement and Sales Framework Agreement in relation to sales of products shall not be less favorable than the terms available to our Group for the sales of products and provision of services to Independent Third Parties (to the extent available) taking into account the quantity and quality of products, delivery time and other transactions terms such as payment terms.

Similar to other independent suppliers of GD HEC and/or its subsidiaries, we are required to go through their internal procurement and approval procedures as well as commercial negotiation before becoming their suppliers. GD HEC and/or its subsidiaries have the discretion to select us to be their suppliers based on their commercial needs and the suitability of the products and/or services that we offer and other objective criteria including the quantity and quality of our products and other transaction terms such as pricing terms and payment terms.

Historical amounts

The transaction amounts paid by us to GD HEC and/or its subsidiaries in respect of procurement of products and services for the years ended December 31, 2023, 2024 and 2025 were approximately RMB7.7 million, RMB17.2 million and RMB20.6 million, respectively.

The transaction amounts received by us from GD HEC and/or its subsidiaries in respect of sales of products for the years ended December 31, 2023, 2024 and 2025 were nil, approximately RMB0.2 million and RMB8.8 million, respectively.

Annual caps and basis of determination

The maximum aggregate annual amount of the transaction amount payable by us to GD HEC and/or its subsidiaries in relation to procurement of products and services for the year ending December 31, 2026 is not expected to exceed RMB25.0 million.

The above annual cap was determined based on the following factors:

(i) historical transaction amounts and historical trend of the three years ended December 31, 2023, 2024 and 2025 under the existing product procurement arrangements between the parties;

(ii) the expected increase of our Group's demand of relevant products and services under the GD HEC Product Procurement and Sales Framework Agreement, taking into account our overall production plan and the estimated expansion of our business for the year ending December 31, 2026; and

(iii) the market supply and demand situation and price trends of relevant products and services.

The maximum aggregate annual amount of the transaction amount receivable by us from GD HEC and/or its subsidiaries in relation to sales of products for the year ending December 31, 2026 is not expected to exceed RMB12.0 million.

The above annual cap was determined based on the following factors:

(i) historical transaction amounts and historical trend of the two years ended December 31, 2024 and 2025 under the existing product sales arrangements between the parties; and

(ii) our overall production plan and the sale plan of hydrochloric acid and other by-products.

Listing Rules implications

In respect of the transactions as described above under the GD HEC Product Procurement and Sales Framework Agreement, the highest applicable percentage ratio (other than profits ratio) is expected to exceed 0.1%, but all applicable percentage ratios are less than 5%, on an annual basis. Such transactions will, upon Listing, constitute continuing connected transactions of the Company subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but will be exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In respect of the Non-exempt Continuing Connected Transactions as described above under the Framework Agreements, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the year ending December 31, 2026 is expected to be more than 0.1% but less than 5% on an annual basis. Accordingly, the Non-exempt Continuing Connected Transactions under the Framework Agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the annual review requirement under Rules 14A.55 and 14A.56 of the Listing Rules.

As the above Non-exempt Continuing Connected Transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that strict compliance with the aforesaid announcement requirements would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules, in respect of Non-exempt Continuing Connected

Transactions under the Framework Agreements, provided that the aggregate transaction amounts of the Non-exempt Continuing Connected Transactions for the year ending December 31, 2026 of the Framework Agreements will not exceed the relevant annual caps as set out in this section.

Apart from the announcement requirement from which waivers are sought, the Company will comply with the other applicable requirements under Chapter 14A of the Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the Non-exempt Continuing Connected Transactions (including their annual cap for the year ending December 31, 2026) have been, and will continue to be, carried out in the ordinary and usual course of business of our Group and are on normal commercial terms, fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Company in relation to the Non-exempt Continuing Connected Transactions and (ii) participated in the due diligence and discussions with the management of the Group.

Based on the aforementioned and the Directors' view above, the Sole Sponsor is of the view that (i) the aforesaid Non-exempt Continuing Connected Transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of the Group's business on normal commercial terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the proposed respective annual caps of the Non-exempt Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- we have approved and adopted internal procedures and internal guidelines, which provide that, among others, if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules. The Board and other internal departments of our Company will be jointly responsible for evaluating the terms under the framework agreements for our Group's continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each agreement;

- our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transaction entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transaction has been entered into in the ordinary and usual course of business of our Group, is on normal commercial terms and is in accordance with the agreement governing it on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transaction has not been approved by the Board, is not in accordance with the pricing policies of our Group in all material respects, is not entered into in accordance with the relevant agreement governing the transactions in all material respects or has exceeded the cap;

- when considering the fees and transaction amounts arising under the connected transactions between our connected persons and us, we will regularly review and consider the prevailing market conditions and practices, and make reference to the pricing and terms between us and Independent Third Parties for comparable services or similar transactions (if available), to make sure that the terms and conditions offered by/to our connected persons based on commercial negotiations are fair and reasonable and are based on normal commercial terms or no less favorable terms to our Group; and

- when considering any renewal or revision to the agreements after Listing, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.