# SUMMARY

***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED].***

***There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].***

## OVERVIEW

We are an innovative new energy technology enterprise in China, principally engaged in the research, development, manufacturing and sales of new energy lithium-ion battery materials. According to Frost & Sullivan, we are the largest battery-grade lithium hydroxide manufacturer in China and the third largest globally in terms of sales volume and revenue in 2025. In the same year, we are the fourth largest battery-grade lithium compounds manufacturer in China and globally, in terms of sales volume and revenue. Building on decades of development, we have developed substantial expertise and a proven track record across our three business segments, namely, new energy lithium-ion battery materials, ESD ultra-clean technology products and medical devices.

Through persistent efforts, we have gained widespread recognition from global customers and achieved remarkable accomplishments.

| Strong Market Position | Solid Strategic Positioning | Top-Tier Customer Base |
|---|---|---|
| **1st in China** | **165,000 tons** | **All of the 10 Largest**[3] |
| Battery-grade lithium hydroxide manufacturer[1] | Maximum annual lithium compound production capacity[2] | Ternary cathode material manufacturers in the world |
| **3rd in the World** | **4 Continents** | **8 of the 10 Largest**[3] |
| Battery-grade lithium hydroxide manufacturer[1] | Global lithium resource supply spanning Australia, Asia, Africa and South America | Cathode material manufacturers in the world |
| **4th in China and the World** | **Among the 1st** | **6 of the 10 Largest**[3] |
| Battery-grade lithium compounds manufacturer[1] | To develop high-nickel ternary cathode materials and next-generation solid-state battery materials | Power battery manufacturers in the world |

*Notes:*

1. In terms of revenue and sales volume in 2025, according to Frost & Sullivan
2. As of December 31, 2025
3. In terms of sales volume in 2025, according to Frost & Sullivan

**New Energy Lithium-ion Battery Materials**

Leveraging years of deep experience in the lithium compounds industry, we have progressively established a comprehensive business model covering lithium mining, R&D, production and sale of lithium-ion battery materials. Our core products, battery-grade lithium hydroxide and battery-grade lithium carbonate, are essential raw materials for manufacturing lithium-ion batteries, with wide-ranging applications in various sectors of new energy technologies, such as new energy vehicle power batteries, energy storage systems, low-altitude aircraft and consumer electronics. We provide high-quality lithium compound products and have earned widespread recognition from domestic and international customers. Leveraging our technical and management expertise accumulated over years of deep engagement in the lithium compound industry, we have achieved industry-leading resource utilization efficiency and stable product quality through efficient production processes and highly automated production workflows. As of December 31, 2025, we had established three major production bases in China totalling a combined annual lithium compound production capacity of 165,000 tons. To maintain stable access to high-quality lithium concentrate, we have also secured a diversified global lithium resource supply spanning Australia, Asia, Africa and South America through a combination of equity investment, long-term offtake agreements and self-operated mines.

Furthermore, we have expanded into the downstream industry chain and developed cathode materials for next-generation solid-state batteries to capture emerging market opportunities. We are currently constructing a fully automated and intelligent production line in Yixing, Jiangsu Province for advanced cathode materials, of which a pilot line has been completed and commenced trial operation, providing process verification and technical support for subsequent large-scale production.

**ESD Ultra-Clean Technology Products**

With approximately 30 years of experience in the ESD ultra-clean technology sector, we are a leading electrostatic and micro-contamination prevention and control solution provider in China. We have established a comprehensive supporting system and advanced integration capabilities, enabling us to deliver one-stop tailored solutions to customers. As a contributor to industry development, we have led and participated in drafting more than ten national and industry standards. Additionally, we are the designated cooperation partner of the ESD Association (ESDA) in China, and in 2024 we successfully obtained the "Product Qualification Laboratory Certification" led by ESDA, which enables us to conduct product qualification measurements and certifications for materials and anti-static items commonly used in ESD control systems.

**Medical Devices**

We conduct our medical device product business under the brand Yushou Medical. We are among the first batch of manufacturers in China to have developed disposable sterile medical devices with proprietary intellectual property rights and to have obtained certification from the World Health Organization (WHO). We have also been selected as one of the qualified manufacturers of auto-disable vaccine syringes by the United Nations Children's Fund (UNICEF).

## OUR COMPETITIVE STRENGTHS

Our competitive strengths include:

- Comprehensive lithium-ion battery material business model solidifying industry position;
- Diversified lithium resource portfolio with flexible supply capabilities;
- Strong and loyal customer base with deep collaboration;
- Advanced production processes and superior production management efficiency;
- Customer-centric and advanced research and development capabilities; and
- Visionary management team and integrity-based business philosophy.

## OUR STRATEGIES

Our strategies include:

- Strengthen upstream lithium supply security;
- Further expand production capacity and extend to downstream industrial chain;
- Strengthen R&D capabilities to sustain technology leadership; and
- Expanding product portfolio and downstream applications.

## RAW MATERIALS AND LITHIUM RESOURCES

The key raw materials used in our operations vary across our business segments. For our lithium compound products, raw materials primarily include lithium concentrate, intermediate products such as lithium sulfate, and auxiliary materials such as sulfuric acid and sodium hydroxide. We procure these mainly from mining and mining-related companies, upstream trading companies and commodity traders, and other raw material suppliers. For our ESD ultra-clean technology products, the key raw materials include optically clear adhesives, expanded polypropylene foam cushioning materials, raw yarn and thermoplastics, while thermoplastics and polypropylene also constitute the primary raw materials for our medical devices.

Currently, our lithium concentrate requirements are primarily met through third-party procurement, under a combination of longer-term supply arrangements and supplementary spot purchases, taking into account prevailing market conditions and our operational needs. To enhance supply security and reduce our exposure to raw material price fluctuations, we have been actively building up our upstream lithium resource base through a combination of equity investments, long-term offtake arrangements and self-operated mining projects. The mine resources in which we hold equity interest are located across Asia, Australia and Africa, while our offtake agreements provide us with additional access to lithium supply, including from South America.

## PRODUCTION

We produce the products for our three business segments at various purpose-built production facilities that manage the full cycle from qualified raw-material receipt, through processing to final delivery. Our principal production operations are concentrated in the new energy lithium-ion battery materials segment, which primarily comprises lithium compound products and also includes advanced materials for solid-state batteries. As of December 31, 2025, we operated three main lithium compounds production facilities in China, with a maximum annual lithium compound production capacity of 165,000 tons. During the Track Record Period, our manufacturing activities were primarily conducted on a principal basis, under which we procured raw materials and sold lithium compound products to customers, and we also provided tolling services by processing customer-supplied feedstock to agreed specifications.

## RESEARCH AND DEVELOPMENT

We are committed to continuous investment in R&D across our business lines to drive our long-term competitiveness. Our R&D professionals possess strong educational backgrounds and extensive industry experience, and we have maintained a high retention rate among key technical personnel. As of December 31, 2025, we have 887 technical personnel dedicated to R&D activities, comprising experts holding advanced degrees and deep experience in relevant fields including materials science and engineering, chemical engineering, mechanical design, electrical engineering, plasma physics and biomedical engineering.

Our R&D organization comprises the group research institute and dedicated R&D departments established within each business segment. Our R&D activities are governed by a customer-integrated product development (CIPD) framework. Through our sustained investment in R&D, we have achieved key milestones including solid-state battery materials, ion exchange membrane materials, ESD and micro-contamination control solutions and innovative medical devices.

## SALES AND MARKETING

We have established an efficient sales network focused primarily on direct sales. Our sales coverage is designed to support customers with different technical specifications, qualification requirements and operating environments, while providing responsive technical support and after-sales service. During the Track Record Period, we generated most of our revenue domestically.

We adopt a direct sales approach for our new energy lithium-ion battery materials business and ESD ultra-clean technology product business. As of December 31, 2025, we had a dedicated sales and marketing department of 111 personnel. We sell our medical devices through a combination of direct sales and distributor sales. We collaborate with distributors domestically and internationally to broaden customer coverage and enhance service responsiveness in certain markets. As of December 31, 2025, we had established a distribution network comprising 738 distributors.

## OUR CUSTOMERS

During the Track Record Period, our major customers primarily include leading lithium-ion battery manufacturers, cathode material manufacturers and new energy vehicle OEMs. Revenue generated from our five largest customers in each year of the Track Record Period accounted for 68.4%, 59.0% and 55.9% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. For the same years, revenue generated from our largest customer accounted for 24.3%, 19.0% and 23.0% of our total revenue, respectively.

## OUR SUPPLIERS

Our major suppliers include raw material suppliers in respect of our new energy lithium-ion battery business, such as mining and trading companies, due to the significant purchase volume of our new energy lithium-ion battery materials business. Purchases from our five largest suppliers in each year of the Track Record Period accounted for 71.8%, 39.4% and 36.8% of our total purchases for the years ended December 31, 2023, 2024 and 2025, respectively. For the same years, purchases from our largest supplier accounted for 42.4%, 12.7% and 12.8% of our total purchases, respectively.

## COMPETITION

We primarily compete with domestic and international manufacturers of battery-grade lithium compounds, particularly those with established scale, strong marketing and sales networks, proven customer qualification track records and stable access to upstream lithium resources. According to Frost & Sullivan, as of December 31, 2025, there were approximately 200 battery-grade lithium compounds manufacturers globally. In terms of sales volume and revenue in 2025, we were the fourth largest battery-grade lithium compounds manufacturer globally and in China.

According to Frost & Sullivan, key barriers to entry include: (i) customer qualification barriers, as downstream cathode material and battery manufacturers impose stringent standards and switching suppliers typically requires re-verification and process adjustments; (ii) technological barriers, given multi-step production processes and demanding process-control requirements; (iii) resource barriers, due to reliance on stable upstream lithium supply; and (iv) capital barriers, as the industry is capital intensive with significant upfront investment and long construction cycles. For details, see "Industry Overview."

We believe success in this industry is driven by strong customer relationships, R&D and process control to deliver consistent quality at scale, and reliable access to upstream supply. We consider ourselves well positioned to compete given our comprehensive lithium-ion battery materials business model, diversified lithium resource portfolio, strong and loyal customer base, and advanced production processes and production management efficiency.

## RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See "Risk Factors" for details of our risk factors. Some of the major risks we face include: (i) we are exposed to fluctuations of lithium prices; (ii) we depend on a stable and adequate supply of raw materials. Price fluctuations of our raw materials and inadequate or interrupted supply for our raw materials could adversely affect our business, financial condition and results of operations; (iii) our access to lithium resources may be constrained by the finite lives and uncertainty of mineral reserves and resources at the mines from which we source, and our efforts to secure lithium resources may not succeed; (iv) any slowdown or decrease in the downstream demand for our products, or technological developments resulting in substitute products, may have a material impact on us; (v) if we fail to maintain the competitiveness of our products, our business may be materially and adversely affected; (vi) we derived a significant portion of our revenues from a limited number of major customers during the Track Record Period; (vii) we may not be successful in expanding our operations to meet our demands, or we may not be able to fully utilize our production capacity due to insufficient or unstable demand; (viii) our ability to conduct business in the international markets is subject to uncertainties and risks; and (ix) we may not be able to develop and commercialize new technologies and products in a timely and cost-effective manner, which could materially and adversely affect our ability to meet customer requirements.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

### Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB* | *%* | *RMB* | *%* | *RMB* | *%* |
| | *(RMB in thousands, except for percentages)* | | | | | |
| **Revenue** | **10,467,717** | **100.0** | **6,608,250** | **100.0** | **7,548,826** | **100.0** |
| Cost of sales | (7,877,586) | (75.3) | (5,243,799) | (79.4) | (6,490,741) | (86.0) |
| **Gross profit** | **2,590,131** | **24.7** | **1,364,451** | **20.6** | **1,058,085** | **14.0** |
| Other income and gains | 707,579 | 6.8 | 742,381 | 11.2 | 340,762 | 4.5 |
| Selling and distribution expenses | (52,431) | (0.5) | (52,546) | (0.8) | (56,838) | (0.8) |
| Administrative expenses | (511,487) | (4.9) | (417,490) | (6.3) | (415,492) | (5.5) |
| Research and development expenses | (90,398) | (0.9) | (91,446) | (1.4) | (124,815) | (1.6) |
| Impairment losses on financial and contract assets, net | 19,840 | 0.2 | (57,447) | (0.9) | (122,796) | (1.6) |
| Other expenses | (60,417) | (0.6) | (98,866) | (1.5) | (57,788) | (0.8) |
| Financial costs | (64,042) | (0.6) | (95,752) | (1.4) | (99,828) | (1.3) |
| Share of profits and losses of: | | | | | | |
| — A joint venture | — | — | (8,999) | (0.1) | (2,125) | (0.0) |
| — Associates | (20,989) | (0.2) | (33,791) | (0.5) | 23,606 | 0.3 |
| **Profit before tax** | **2,517,786** | **24.0** | **1,250,495** | **18.9** | **542,771** | **7.2** |
| Income tax expense | (359,880) | (3.4) | (221,069) | (3.3) | (85,299) | (1.1) |
| **Profit for the year** | **2,157,906** | **20.6** | **1,029,426** | **15.6** | **457,472** | **6.1** |

***Revenue***

During the Track Record Period, we derived our revenue from three main business segments: (i) new energy lithium-ion battery materials, primarily including lithium compound products, (ii) ESD ultra-clean technology products, and (iii) medical devices mainly including syringes. The following table sets forth a breakdown of our revenue by business segment in absolute amounts and as percentages of total revenue, for the years indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | *RMB* | *%* | *RMB* | *%* | *RMB* | *%* |
| | *(RMB in thousands, except for percentages)* | | | | | |
| New energy lithium-ion battery materials | 9,696,978 | 92.7 | 5,754,009 | 87.1 | 6,667,281 | 88.3 |
| ESD ultra-clean technology products | 472,907 | 4.5 | 570,384 | 8.6 | 606,135 | 8.0 |
| Medical devices | 297,832 | 2.8 | 283,857 | 4.3 | 275,410 | 3.7 |
| **Total** | **10,467,717** | **100.0** | **6,608,250** | **100.0** | **7,548,826** | **100.0** |

Our Group's financial performance during the Track Record Period was largely subject to the results of new energy lithium-ion battery materials, which primarily reflected changes in market prices for lithium compound products. Our revenue decreased from RMB10,467.7 million in 2023 to RMB6,608.3 million in 2024, primarily in relation to a decrease in market prices for lithium compound products, despite our growing sales volume in 2024. Our revenue then increased to RMB7,548.8 million in 2025, primarily driven by higher sales volumes under the sale of products model of our lithium compound products, attributable to (i) the expansion of our lithium carbonate production capacity which, combined with our ability to deliver competitive, high-purity products with reliable and consistent quality, enabled us to serve our customers more effectively, and (ii) a growing downstream market demand for lithium-ion battery materials as the new energy vehicle and energy storage sectors continued to expand, and our enhanced ability to meet such demand.

***Gross Profit and Gross Profit Margin***

The following table sets forth the breakdown of our gross profit and gross profit margin by business segment for the years 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 percentages)* | | | | | |
| New energy lithium-ion battery materials | 2,363,377 | 24.4 | 1,097,801 | 19.1 | 786,283 | 11.8 |
| ESD ultra-clean technology products | 94,333 | 19.9 | 129,734 | 22.7 | 134,551 | 22.2 |
| Medical devices | 132,421 | 44.5 | 136,916 | 48.2 | 137,251 | 49.8 |
| **Total/Overall** | **2,590,131** | **24.7** | **1,364,451** | **20.6** | **1,058,085** | **14.0** |

During the Track Record Period, we recorded overall gross profit of RMB2,590.1 million, RMB1,364.5 million, and RMB1,058.1 million in 2023, 2024, and 2025, respectively, representing overall gross profit margins of 24.7%, 20.6%, and 14.0%, respectively. The decline in overall gross profit and gross profit margin during the Track Record Period was primarily attributable to the decrease of the gross margin of the new energy lithium-ion battery materials segment, arising from the industry-wide fluctuations in prices of lithium compound products. Gross profit margin for our ESD ultra-clean technology products remained relatively stable during the Track Record Period. We had a consistent increase in the gross profit margin for medical devices during the Track Record Period, primarily in relation to the improvement in product structure.

**Selected Items from the Consolidated Statements of Financial Position**

The following table sets forth a breakdown of our consolidated statements of financial position as of the dates indicated:

| | As of Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *(RMB in thousands)* | | |
| Total non-current assets | 8,418,121 | 10,676,906 | 13,032,371 |
| Total current assets | 12,208,107 | 8,599,087 | 10,060,501 |
| Total current liabilities | 3,322,056 | 2,939,580 | 5,279,172 |
| **Net current assets** | **8,886,051** | **5,659,507** | **4,781,329** |
| **Total assets less current liabilities** | **17,304,172** | **16,336,413** | **17,813,700** |
| Total non-current liabilities | 1,136,535 | 737,258 | 2,160,222 |
| Net assets | 16,167,637 | 15,599,155 | 15,653,478 |

Our net current assets decreased from RMB8,886,1 million as of December 31, 2023 to RMB5,659.5 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents arising from our operating cash inflows, partially offset by an increase in inventories as we expanded production scale. Our net current assets decreased to RMB4,781.3 million as of December 31, 2025, primarily due to a decrease in financial assets at fair value through profit or loss representing our structure deposits, and an increase in interest-bearing bank and other borrowings, partially offset by an increase in prepayments, other receivables and other assets, as we procured more lithium concentrate for inventory stocking purposes.

Our net assets decreased from RMB16,167.6 million as of December 31, 2023 to RMB15,599.2 million as of December 31, 2024, primarily due to change in fair value of equity investments at fair value through other comprehensive income of RMB784.4 million and dividend declared and paid of RMB831.3 million, partially offset by our profit for the year of RMB1,029.4 million. Our net assets increased to RMB15,653.5 million as of December 31, 2025, primarily due to our profit for the year of RMB457.5 million, partially offset by dividend declared and paid in the year of RMB498.5 million.

**Selected Items from the Consolidated Statements of Cash Flow**

The following table sets forth a summary of our cash flows for the years indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *(RMB in thousands)* | | |
| Net cash flows from/(used in) operating activities | 4,087,495 | 1,465,476 | (321,826) |
| Net cash flows from/(used in) investing activities | (3,118,112) | (3,770,985) | (3,675,707) |
| Net cash flows from/(used in) financing activities | (2,866,199) | (2,202,933) | 4,864,374 |
| **Net (decrease)/increase in cash and cash equivalents** | **(1,896,816)** | **(4,508,442)** | **866,841** |
| Cash and cash equivalents at beginning of year | 9,173,436 | 7,312,894 | 2,820,969 |
| Effect of foreign exchange rate changes, net | 36,274 | 16,517 | (27,566) |
| **Cash and cash equivalents at end of the year** | **7,312,894** | **2,820,969** | **3,660,244** |

**Key Financial Ratio**

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

| | As of/Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Gross profit margin(1) | 24.7% | 20.6% | 14.0% |
| Net profit margin(2) | 20.6% | 15.6% | 6.1% |
| Return on equity(3) | 12.8% | 6.7% | 3.6% |
| Current ratio(4) | 3.7 | 2.9 | 1.9 |
| Debt to asset ratio(5) | 21.6% | 19.1% | 32.2% |

(1) Gross profit margin is calculated by dividing gross profit by revenue for the year indicated and multiplied by 100%.

(2) Net profit margin is calculated by dividing profit for the year by revenue for the year indicated and multiplied by 100%.

(3) Return on equity is calculated by dividing profit attributable to owners of the parent by equity attributable to owners of the parent and multiplied by 100%.

(4) Current ratio is calculated by dividing current asset by current liability for the year indicated.

(5) Debt to asset ratio is calculated by dividing total liabilities by total assets for the year indicated and multiplied by 100%.

## [REDACTED]

All statistics in the following table are based on the assumptions that (i) the [REDACTED] is completed and [REDACTED] H Shares are issued and sold in the [REDACTED]; (ii) the [REDACTED] is not exercised; and (ii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED].

| | **Based on an [REDACTED] of HK$[REDACTED] per Share** | **Based on an [REDACTED] of HK$[REDACTED] per Share** |
|---|---|---|
| [REDACTED] of the H Shares following the completion of the [REDACTED] | HK$[REDACTED] | HK$[REDACTED] |
| Market capitalization of our A Shares(1) | HK$[48,041.9] million | HK$[48,041.9] million |
| Total [REDACTED] considering both A Shares and H Shares | HK$[REDACTED] | HK$[REDACTED] |
| Unaudited [REDACTED] adjusted consolidated [REDACTED] assets per Share(2) | HK$[REDACTED] | HK$[REDACTED] |

*Notes:*

(1) Calculated based on the average closing price of A Shares for the five business days immediately preceding the Latest Practicable Date of RMB[50.94] (i.e. HK$[57.83] calculated based on RMB[0.8809] to HK$[1.00]) per share and the total share capital of [830,750,788] A Shares as of the Latest Practicable Date.

(2) The unaudited [REDACTED] adjusted consolidated [REDACTED] assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II — Unaudited [REDACTED] Financial Information" in this document.

## [REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated gross [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (1) [REDACTED]-related expenses, including [REDACTED] commission, of approximately HK$[REDACTED]; and (2) non-[REDACTED]-related expenses of approximately HK$[REDACTED], comprising (i) fees and expenses of our legal advisors and reporting accountants of approximately HK$[REDACTED], and (ii) other fees and expenses of approximately HK$[REDACTED]. During the Track Record Period, we did not incur any [REDACTED] expenses. After the Track Record Period, approximately HK$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

## FUTURE PLANS AND [REDACTED]

We estimate that the [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] commissions and other fees and expenses paid and payable by us in connection with the [REDACTED], will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per H Share (being the mid-point of the indicative range of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per H Share), and that the [REDACTED] is not exercised. We currently intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED], will be used for the construction of a battery-grade lithium carbonate facility with an expected annual capacity of 60,000 tons;
- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED], will be used to further strengthen our upstream resource capabilities;
- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED], will be used to continue to enhance our research and development capabilities and strengthen our technological competitiveness;
- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED], will be used to repay certain interest-bearing bank borrowings, in order to optimize our capital structure, reduce finance costs and improve our overall financial flexibility; and
- approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED], will be used for working capital and other general corporate purposes to support our daily operations and overall business growth.

## DIVIDENDS

According to our Articles of Association, we are required to pay cash dividends of no less than 30% of the distributable profits recorded in the fiscal year, subject to our operating needs. The aggregate cash dividends distributed by our Group over a three-year period shall be not less than 30% of the average annual distributable profits recognized during the same three-year period. Our Group does not, in addition to this, maintain a general dividend policy or a fixed dividend payout ratio. We declared dividends of RMB831.3 million, RMB498.5 million, and nil, respectively, in respect of the financial years ended December 31, 2023, 2024 and 2025. As of the Latest Practicable Date, all declared cash dividends during the Track Record Period were fully paid.

Future profit distribution may be carried out in the form of cash dividends or stock dividends or a combination of both. Any proposed distribution of dividends distribution of dividends is subject to the discretion of our Board and the approval at our annual meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

## OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders comprises Mr. Pei and Ms. Rong. As of the Latest Practicable Date, Mr. Pei and Ms. Rong collectively held approximately 18.87% interests of issued capital of our Company. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Mr. Pei and Ms. Rong will hold an aggregate of approximately [REDACTED]% interest in our total issued share capital. Accordingly, Mr. Pei and Ms. Rong will remain our Single Largest Group of Shareholders upon [REDACTED].

## OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

In July 2014, we completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 300390). For details, see "History and Corporate Structure — Corporate Development and Major Shareholding Changes."

## CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into certain transactions in our ordinary and usual course of business with parties who will, upon the [REDACTED], become connected persons of our Company. We will continue to engage in certain continuing connected transactions after the [REDACTED]. Summary of these connected transactions are set out below:

### Transactions with Tianyi Lithium Industry Group

| Nature of the transaction | Counterparty | Waiver sought | Historical amounts during the Track Record Period 2023 | 2024 | 2025 | Proposed annual cap for the year ending December 31, 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|
| | | | *(RMB in thousand)* | | | | | |
| *Partially-exempted Continuing Connected Transactions* | | | | | | | | |
| 1. Procurement of services | Tianyi Lithium Industry Group | Announcement requirement | 3,669.8 | 703.8 | 745.8 | 31,000 | 31,000 | 31,000 |
| 2. Provision of services | Tianyi Lithium Industry Group | Announcement requirement | 3,021.2 | 6,079.7 | 13,579.4 | 33,500 | 33,500 | 33,500 |
| *Non-exempted Continuing Connected Transactions* | | | | | | | | |
| 3. Purchase of materials | Tianyi Lithium Industry Group | Announcement, circular and independent shareholders' approval requirements | 516,686.5 | 712,393.7 | 1,532,266.7 | 2,020,000 | 2,020,000 | 2,020,000 |
| 4. Sales of materials | Tianyi Lithium Industry Group | Announcement and independent shareholders' approval requirements | 1,911,734.1 | 605,218.0 | 1,393,109.8 | 3,411,000 | 3,411,000 | 3,411,000 |

### Transactions with Trans-easy and Tembida Logistics Group

| Nature of the transaction | Counterparty | Waiver sought | Historical amounts during the Track Record Period 2023 | 2024 | 2025 | Proposed annual cap for the year ending December 31, 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|
| | | | *(RMB in thousand)* | | | | | |
| *Partially-exempted Continuing Connected Transactions* | | | | | | | | |
| Procurement of logistics services | Trans-easy and Tembida Logistics Group | Announcement requirement | — | 6,358.4 | 190,819.0 | 200,000 | 200,000 | 200,000 |

### Transactions with CATL Group

| Nature of the transaction | Counterparty | Waiver sought | Historical amounts during the Track Record Period 2023 | 2024 | 2025 | Proposed annual cap for the year ending December 31, 2026 |
|---|---|---|---|---|---|---|
| | | | *(RMB in thousand)* | | | |
| *Non-exempted Continuing Connected Transactions* | | | | | | |
| 1. Sales of products | CATL Group | Announcement and independent shareholders' approval requirements | 2,536,694.2 | 908,733.5 | 1,347,578.9 | 2,000,000 |
| 2. Provision of processing services | CATL Group | Announcement and independent shareholders' approval requirements | 2,832.1 | 343,857.7 | 388,393.8 | 1,100,000 |

For particulars about the above transactions, together with the application for waivers from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules, see "Connected Transactions."

[REDACTED]

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

As downstream demand from sectors such as new energy vehicles and energy storage continues to grow, together with the gradual reduction in excess supply-side capacity, the average prices of lithium hydroxide and lithium carbonate have increased since the second half of 2025 and are expected to enter an upward cycle starting from 2026, according to Frost & Sullivan. See "Industry Overview — Global and China's Battery-Grade Lithium Compounds Industry — Average Prices of Main Battery-Grade Lithium Compounds Products." Driven by the same demand and supply dynamics, our sales volumes of lithium compounds increased in the first quarter of 2026.

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the periods reported on in the Accountants' Report in Appendix I to this document, and there is no event since December 31, 2025 which would material affect the information as set out in the Accountants' Report in Appendix I to this document.