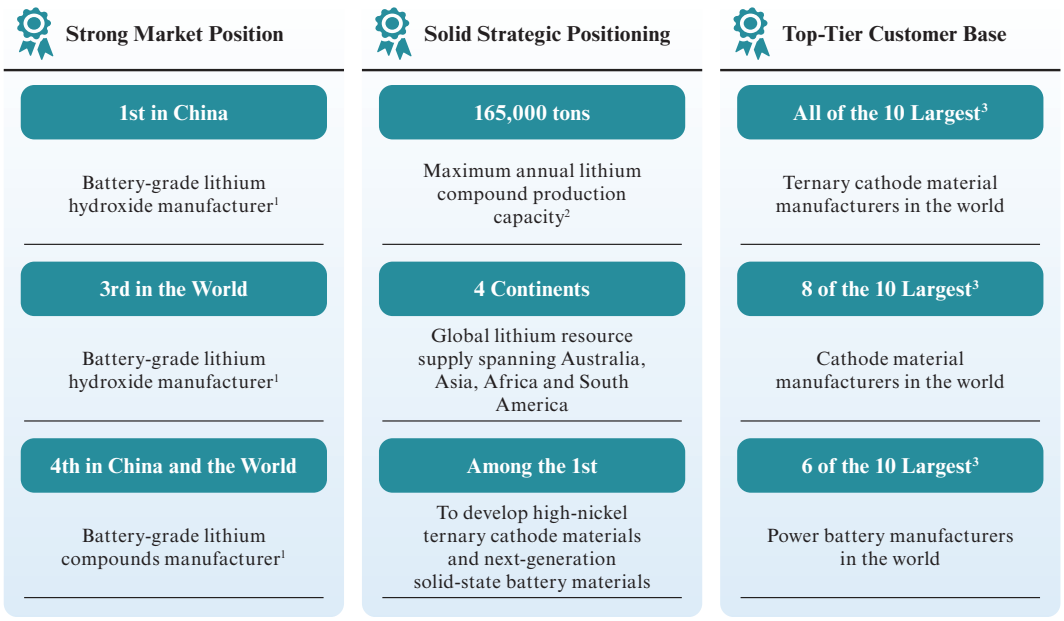
BUSINESS

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.



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 maximum 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 network 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 manufacturers in China to develop disposable sterile medical devices with proprietary intellectual property rights and to obtain 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 Market Opportunities

We continue to benefit from the growth of the new energy technology sectors. According to Frost & Sullivan, the global installed capacity of power batteries increased from 308 GWh in 2021 to 1,187 GWh in 2025 at a CAGR of 40.1%; meanwhile, the global energy storage battery shipments grew from 66.3 GWh in 2021 to 651.5 GWh in 2025, at a CAGR of 77.1%. In addition, the ongoing technological advancements and commercialization in emerging application areas, including low-altitude aircraft, industrial robots and humanoid robots, together with the accelerating commercialization of emerging battery technologies such as hybrid solid-liquid and all-solid-state batteries, are expected to continue driving demand for lithium compounds.

The new energy lithium-ion battery material industry is characterized by robust demand for lithium carbonate, driven by the dominance of lithium iron phosphate batteries, as well as sustained demand for lithium hydroxide from ternary batteries and emerging applications. We have established flexible production lines at our Meishan Facility capable of switching between battery-grade lithium hydroxide and battery-grade lithium carbonate in response to prevailing market dynamics. Such flexibility allows us to optimize capacity allocation dynamically between the two products in response to price trends and downstream order volumes. As a result, we enhance our overall capacity utilization, better meet the raw material supply needs of diverse downstream applications, and strengthen our competitiveness and resilience against market cycles in the lithium compounds sector.

OUR COMPETITIVE STRENGTHS

Comprehensive Lithium-Ion Battery Material Business Model Solidifying Industry Position

We are the fourth largest battery-grade lithium compounds manufacturer in China and globally in 2025, in terms of sales volume and revenue, according to Frost & Sullivan. Our strong market position is underpinned by our comprehensive business model comprising three mutually reinforcing elements, namely, global upstream resource positioning, large-scale midstream lithium compound production capacity, and deep strategic engagement with leading downstream customers. We have established partnerships and resource arrangements with upstream overseas lithium mines through a combination of offtake agreements and equity investments, thereby enhancing the stability of our raw material access and reducing our dependence on any single supply source. We have built three lithium compound production bases across China to maintain stable production and delivery capabilities through industry cycles, while building sustainable competitive advantages in unit manufacturing costs, operational efficiency and product consistency. Furthermore, our long-term cooperative relationships with downstream leading battery manufacturers and new energy vehicle OEMs, through which we gain early visibility into evolving performance specifications and technology directions, enable us to align our product development, qualification and delivery cycles with customer requirements.

Our business model allows us to more effectively manage capacity utilization and production planning, enhance supply continuity and deepen customer engagement, thereby consolidating our position as a key participant in the new energy lithium-ion battery materials supply chain and supporting our industry-leading competitiveness. We believe that these integrated capabilities also enable us to stay closely attuned to downstream technology trends. By leveraging our raw material security, large-scale manufacturing expertise and collaborative feedback from leading customers, we are well-positioned to capture material upgrade opportunities arising from emerging technology pathways such as solid-state batteries and to accelerate the research and development and industrialization validation of cathode materials for next-generation battery systems.

Diversified Lithium Resource Portfolio with Flexible Supply Capabilities

We closely monitor high-quality lithium mineral resources and are advancing a global lithium mineral resource configuration to continuously increase our lithium mineral self-sufficiency rate.

Our upstream lithium mineral resources cover a broad geographic scope. As of December 31, 2025, our global lithium mineral resource network spanned multiple core lithium-rich regions across Australia, Asia, Africa and South America. This network combines domestic supply with overseas sourcing, ensuring a balanced portfolio of high-grade lithium resources, cost-efficient resources and long-term strategic reserves.

We employ diversified approaches to secure upstream resources, selecting flexible cooperation methods based on the unique characteristics of different lithium mineral resources, including offtake agreements, equity investments and self-operated mines. For high-quality lithium mineral resources, we also directly control core mining rights to secure resources in the long-term. For example, as part of our efforts to build an efficient and synergistic domestic lithium resource supply system, we obtained in 2025 a mining right for the lithium-bearing ceramic clay deposit in the Jinzifeng-Zuojiali ceramic clay (lithium-bearing) mineral area in Jiangxi Province, and an exploration and prospecting right for the Rongxuka South lithium mine in Daofu County, Sichuan Province. Additionally, we have signed long-term supply agreements with multiple leading overseas mining companies, continuously enhancing the stability of our upstream resource supply.

Strong and Loyal Customer Base with Deep Collaboration

Leveraging our strong technical capabilities and leading product quality, we serve a broad base of leading customers across our three business segments. In particular, in our new energy lithium-ion battery materials business, we have established long-term, stable relationships with premium customers in China and overseas, including leading domestic and international lithium-ion battery manufacturers, lithium-ion battery cathode material manufacturers and new energy vehicle OEMs. According to Frost & Sullivan, as of December 31, 2025, our products had been supplied to manufacturers and six of the world's top ten power battery manufacturers and all of the world's top ten ternary cathode material manufacturers. We generally maintain long-term partnerships with our customers, and by the same date, we had cooperated with 105 customers on lithium-ion battery materials for more than three years.

Our products are distinguished by their high purity, low magnetic particles content and performance indicators that meet international premium standards, and have passed stringent qualification procedures conducted by a number of leading global customers. As these customers are generally industry leaders with demanding and time-consuming certification processes, inclusion on their approved supplier lists typically results in long-term and recurring business relationships, strong customer loyalty and meaningful barriers to entry for potential competitors. Our status as an approved supplier to multiple industry-leading customers also helps us streamline and shorten certification cycles for new and diversified products, enabling us to respond more rapidly to downstream demand from leading customers. In addition, our relationships with certain customers have extended to their R&D activities. We participate in joint new product development programs by providing solutions tailored to customers' requirements, thereby supporting and accelerating the commercialization of new products.

In addition, we have entered into a comprehensive strategic partnership with CATL Group, a global leader in new energy innovative technologies. We are a major supplier of battery-grade lithium carbonate and battery-grade lithium hydroxide to CATL Group. Building on this relationship, we have expanded our collaboration across the broader value chain, including exploring the opportunities to jointly secure high-quality upstream lithium mineral resources. CATL Group has also become our second-largest shareholder through a strategic investment.

Advanced Production Processes and Superior Production Management Efficiency

Our advanced production processes and highly automated production equipment have contributed to our product quality. Our production of battery-grade lithium hydroxide features a high degree of automated process control, while maintaining rigorous requirements for safe operations and environmental compliance. The key advantages of our process include high lithium recovery, stable product quality and lower energy consumption, supported by enhanced impurity removal and purification measures to ensure the high stability and consistent quality required for battery-grade products.

Our battery-grade lithium carbonate products are manufactured using our self-developed processes and proprietary technologies. Through enhancements to traditional sulfate-based lithium extraction techniques, we have improved recovery rates while maintaining stable product performance and process continuity, higher precision in process parameter control, enhancing adaptability to auxiliary materials, increasing automation and control, and reducing production costs. We also apply desulfurization and, at certain facilities, defluorination technologies, with nitrogen oxide and sulfur dioxide emissions meeting standards more stringent than applicable environmental protection standards and requirements.

Our Meishan Facility has flexible production capabilities, enabling us to reallocate capacity between battery-grade lithium carbonate and battery-grade lithium hydroxide within approximately 48 hours in response to changing downstream demand. According to Frost & Sullivan, our

conversion time is shorter than the industry average, positioning us among a limited number of industry participants with such flexible production capabilities, which enables us to switch product output promptly and capture market opportunities.

Furthermore, we continue to develop intelligent factories. Our Yibin and Meishan Facilities have successfully undergone digital transformation of their safety and environmental management systems, integrating multiple advanced technologies including AI, big data analytics and cloud computing to achieve comprehensive intelligent monitoring and control of safety risks and environmental issues during production processes, enhancing our overall production management efficiency. Looking ahead, we plan to extend these capabilities to our Yichun Facility.

Customer-Centric and Advanced Research and Development Capabilities

Our R&D is driven by customer needs and focused on targeted material development that stays closely aligned with the battery industry's evolving technology roadmaps. We have established collaborations with multiple companies pursuing solid-state battery initiatives, working to address challenges of solid-state systems. To date, we have completed sample deliveries and testing, with performance metrics demonstrating leading differentiating attributes.

Leveraging years of technical know-how and industrialization capabilities accumulated by our R&D team and partners, and aligning with cathode requirements in current solid-state battery architectures, we are taking a stepwise approach to scale up toward volume production of high-nickel NCM cathode materials as a strategic entry point to progressively strengthen our position in the solid-state battery materials value chain. We have proactively developed O2-phase high-voltage lithium cobalt oxide and are advancing its commercialization, while also accelerating development of next-generation advanced cathode materials with higher energy density and improved stability, including lithium-rich manganese-based materials and spinel lithium nickel manganese oxide. Together, these initiatives form a full-cycle R&D and product portfolio spanning near-term production support, medium-term technology advancement and long-term frontier development, creating layered and sustainable competitive advantages in both technology and business growth.

Our leading R&D achievements include:

- ***High-nickel/ultra-high-nickel NCM cathode materials***: Enabled by core technologies such as nanomaterial coating and high-entropy doping, these materials deliver dual advantages of high specific energy and high safety. Through tailored formulations, they can be applied across liquid-electrolyte, hybrid solid-liquid and all-solid-state battery architectures.

- ***O2-phase high-voltage lithium cobalt oxide***: A disruptive technology product with specific capacity reaching 254–255mAh/g, approximately 25% higher capacity than traditional O3-phase lithium cobalt oxide. We have successfully completed sample preparation at a tens-of-kilograms scale.

- ***Lithium-rich manganese-based materials***: Low-voltage variants have achieved small-batch shipments. High-voltage variants are being advanced under provincial-level R&D programs, with leading development progress.

- ***Spinel lithium nickel manganese oxide materials***: We have successfully achieved multi-hundred-kilogram supply for our customers. These materials have been adopted in batteries used for leading automotive OEMs and are currently undergoing in-vehicle validation and finalization.

We place strong emphasis on research and development and have established a group in-house research institute. Through a combination of in-house development and collaboration with external research institutions, we continue to enhance product performance, upgrade manufacturing processes and advance materials development. We have established joint R&D mechanisms with,

among others, the Institute of Physics of the Chinese Academy of Sciences and Tianmu Lake Institute, enabling our research to cover multiple solid-state battery technology pathways and supporting the commercialization of our technologies. As of December 31, 2025, we had 887 technical staff and had been granted 476 patents.

Visionary Management Team and Integrity-Based Business Philosophy

Our founder, Mr. Pei Zhenhua, with over 30 years of industry experience, global vision and strategic foresight, has led us from our origins as an ultra-clean products manufacturer to become a leading new energy technology enterprise. As of December 31, 2025, our senior management team had an average service length of over 14 years. We believe such depth of experience and management continuity enhances our capabilities in research and development, market expansion and operational management.

Our management team is well-experienced in navigating industry cycles and market transitions, which we believe provides a foundation for strategic execution and risk management. Since our establishment in 1997, we have completed two strategic transformations. We were among the early enterprises in the ESD ultra-clean products sector to list on the Shenzhen Stock Exchange A-share market, with ultra-clean products as our principal business, in 2014. In 2015, based on management's assessment of policy support and rising demand in China's medical device industry, we acquired Yushou Medical, an established entity with a proven track record of favorable profitability that was sustained post-acquisition. In 2018, we entered the new energy lithium-ion battery materials sector and have since established a superior presence in the industry. We believe these transformations reflect our management's ability to precisely identify industry trends, make timely decisions, execute efficiently and integrate resources.

Our management team is committed to building sustainable competitive advantages through integrity-based values. During the Track Record Period, despite significant industry-wide fluctuations in the prices of our major products, we consistently upheld principles of integrity and diligently fulfilled contractual obligations. We maintained stable operations, being one of the few enterprises in the industry to achieve profitability in highly volatile market conditions. We adhere to a customer-centric philosophy, precisely responding to customer needs with professional, high-quality products and services, earning widespread recognition from domestic and international customers. We emphasize long-term commitment to technology investment and brand building, continuously enhancing brand value and customer experience, laying a solid sustainable foundation for our stable development.

OUR STRATEGIES

Strengthen Upstream Lithium Supply Security

We aim to enhance upstream lithium supply security through our expansion plan, including scaling the development of existing mines and building reserves, targeted investments in new lithium resources, and strategic partnerships with leading global mining companies to identify and develop high-quality lithium assets. We expect to advance resource development both domestically and internationally to strengthen supply chain resilience. By expanding production capacity and securing long-term raw material supply, we aim to provide a robust foundation for sustainable growth.

Further Expand Production Capacity and Extend to Downstream Industrial Chain

To capture growth opportunities driven by downstream demand in the lithium industry, we plan to further expand our production capacity of new energy lithium-ion battery materials to better serve the growing demands from our customers, in particular global leading battery manufacturers, strengthening our core competitiveness and reinforcing our industry position. We will also continue to extend downstream across the value chain to broaden and deepen our industry footprint.

Strengthen R&D Capabilities to Sustain Technology Leadership

We plan to maintain consistent R&D investment across our three business segments to reinforce our technological foundation, support product iteration, and sustain long-term competitive advantages. Our R&D priorities include:

- Developing advanced cathode materials and key electrolyte raw materials for solid-state battery systems;
- Reducing manufacturing costs and streamlining process flows for solid-state battery core materials;
- Continuously improving production processes to enhance efficiency and yield;
- Advancing the research, development, and commercialization of ion-exchange membrane materials, primarily for applications such as flow batteries;
- Developing new ultra-clean material products in line with evolving downstream customer requirements; and
- Continuing the development of innovative medical devices, including medical CT tubes and steep pulse tumor ablation systems.

Expanding Product Portfolio and Downstream Applications

We will focus on expanding downstream application scenarios for our new energy lithium-ion battery materials, broadening our product portfolio to meet the evolving customer demands. We intend to further strengthen our coverage across the power batteries, energy storage systems, and other industrial application segments, while proactively positioning for incremental demand from emerging end markets, including embodied intelligence and the low-altitude aircrafts. In parallel, we plan to continue expanding our customer base across industries and geographies, deepen long-term cooperation with key customers, and strengthen the development of our sales network.

OUR OPERATIONS

We engage in the production and sale of new energy lithium-ion battery materials, ESD ultra-clean technology products, and medical devices. Our operations are supported by a robust global supply chain, advanced manufacturing capabilities, and a commitment to technological innovation and sustainable development. The following table sets forth our revenue breakdown by business segment, in absolute amounts and as percentages of our total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(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**

During the Track Record Period, we primarily generated revenue from the sales of lithium compound products, principally battery-grade lithium hydroxide and battery-grade lithium carbonate, through our new energy lithium-ion battery materials segment. Our selling prices are generally determined by reference to prevailing market price indices, subject to adjustments to

reflect, among other factors, product specifications, order volumes, delivery terms and customer-specific arrangements. As a result, our revenue and profitability are materially affected by fluctuations in the market prices of lithium compound products, which are driven by market forces including the supply of upstream lithium resources, downstream demand for battery-grade lithium compounds and overall industry supply.

Against this backdrop, our financial performance during the Track Record Period was largely driven by (i) changes in market prices for lithium compound products and (ii) our sales volumes. Our revenue decreased from RMB10,467.7 million in 2023 to RMB6,608.3 million in 2024, primarily due to a decline in market prices for lithium compound products, notwithstanding higher sales volumes in 2024. Our revenue then increased to RMB7,548.8 million in 2025, primarily driven by higher sales volumes of our lithium compound products, which was supported by (i) the expansion of our lithium carbonate production capacity, which, together with our ability to deliver competitive, high-purity products with reliable and consistent quality, enabled us to better serve 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.

We expect demand for our products to continue to be supported by the growth of lithium-ion battery end markets, while our operating results will continue to be influenced by market price movements for lithium compound products. Hence, our business model emphasizes balancing volume growth with disciplined margin and cash management across commodity cycles. Given the index-linked nature of industry pricing and the inherent volatility of lithium markets, we seek to manage pricing and earnings volatility through (i) ongoing market monitoring and internal price estimation to inform production planning and sales execution, (ii) cost management initiatives intended to preserve margins across commodity cycles, and (iii) the maintenance of long-term customer relationships and customer-specific arrangements that support stable offtake, product qualification and service reliability. As a result of our efforts, we maintained strong liquidity throughout the Track Record Period. We believe our financial position and access to financial resources support our ongoing development and operational flexibility, including the ability to fund working capital needs, pursue capacity expansion and technical improvement initiatives and continue investing in product quality, consistency and customer service capabilities, all of which we expect to contribute to our sustained growth.

New Energy Lithium-Ion Battery Materials

Our new energy lithium-ion battery materials business spans upstream procurement and resource access, midstream lithium compound development and production, and downstream sales and R&D collaboration. By aligning supply, production, and customer engagement, we secure high-quality raw materials, maintain stable production with consistent quality and timely delivery, and rapidly translate customer needs into product improvements, which we believe are key differentiators in a market characterized by rapid demand growth and technological evolution. Building on this foundation, we have expanded further into the downstream industry chain by developing cathode materials for next-generation solid-state batteries to capture emerging market opportunities.

- ***Upstream Resource Security.*** We have established a globally diversified lithium resource supply chain spanning Australia, Asia, Africa and South America through equity investments, offtake agreements and self-operated assets. Our upstream resource access and multi-source procurement help reduce the risk of supply disruption and moderate our exposure to raw material price fluctuations.

- ***Midstream Processing Capabilities***. We process lithium concentrate at our strategically located Yibin, Meishan and Yichun Facilities into battery-grade lithium hydroxide or battery-grade lithium carbonate. We also offer tolling arrangements where we process customer-supplied feedstock in accordance with agreed specifications. Our proprietary

processing technologies, coordinated production planning and quality management systems support consistent product quality and enable flexible scheduling to meet customer specifications. We continuously optimize process parameters and product characteristics based on internal R&D and manufacturing know-how to support stable processing performance for downstream lithium-ion battery cathode material manufacturers.

- ***Downstream Customer Integration.*** We have established long-term relationships with downstream customers across the new energy value chain, including major battery manufacturers such as CATL Group and leading automotive OEMs. We believe these customer relationships are a key competitive advantage because they provide us with timely insights into end-market demand, technology roadmaps and evolving performance requirements, enabling us to respond efficiently to industry trends and to plan capacity expansion and product development with greater visibility. In addition to commercial supply arrangements, we maintain close technical communication with customers and collaborate in product development and R&D activities, including on next-generation cathode materials to support customer validation and facilitate the iteration and optimization of our products.

Lithium Compound Products

We primarily offer battery-grade lithium hydroxide and battery-grade lithium carbonate, which are critical raw materials for lithium-ion battery cathode materials, with applications across new energy technology sectors such as electric vehicle batteries, energy storage systems and consumer electronics. Our battery-grade lithium compound products are characterized by high purity, low levels of magnetic particles content, and stable quality, meeting the stringent requirements of leading global customers, including major battery manufacturers such as CATL Group and leading automotive OEMs.

Battery-Grade Lithium Hydroxide

Battery-grade lithium hydroxide serves as an important lithium chemical input, most commonly used for cathode chemistries such as nickel-cobalt-manganese (NCM) and nickel-cobalt-aluminum (NCA), which are widely adopted in mainstream and next-generation electric vehicle batteries due to their high energy density and strong cycle performance.

Our battery-grade lithium hydroxide products are characterized by high stability and consistent quality, produced using advanced, proprietary purification processes, with their key impurity and particle metrics outperforming applicable national standards. Key impurity levels, including potassium, and magnetic substance content are each maintained well below the maximum limits specified in the applicable national standards. Metallic foreign matter, including zinc, nickel, chromium and copper, is each controlled to below 1 ppb, and the number of magnetic particles is maintained below 15 pcs/kg, collectively safeguarding the performance and safety of downstream

battery products. We also offer micronized battery-grade lithium hydroxide products with particle sizes precisely controlled between 6 and 18 um, providing high processability for lithium-ion battery cathode material manufacturers.

Battery-Grade Lithium Carbonate

Battery-grade lithium carbonate serves as a key raw material for lithium-ion battery cathode material manufacturers to produce lithium iron phosphate, lithium cobalt oxide, and other cathode materials used primarily in electric vehicles, energy storage systems, and consumer electronics. Battery-grade lithium carbonate is particularly well-suited for cost-effective battery applications and is experiencing strong demand growth driven by the expansion of LFP batteries in both automotive and energy storage markets.

Our battery-grade lithium carbonate is manufactured using a combination of sulfuric acid leaching, lithium extraction, and purification technologies, which deliver high recovery rates, stable product quality, and strong adaptability to different raw material sources. Our product's purity and consistency are industry-leading, with all critical impurities tightly controlled.

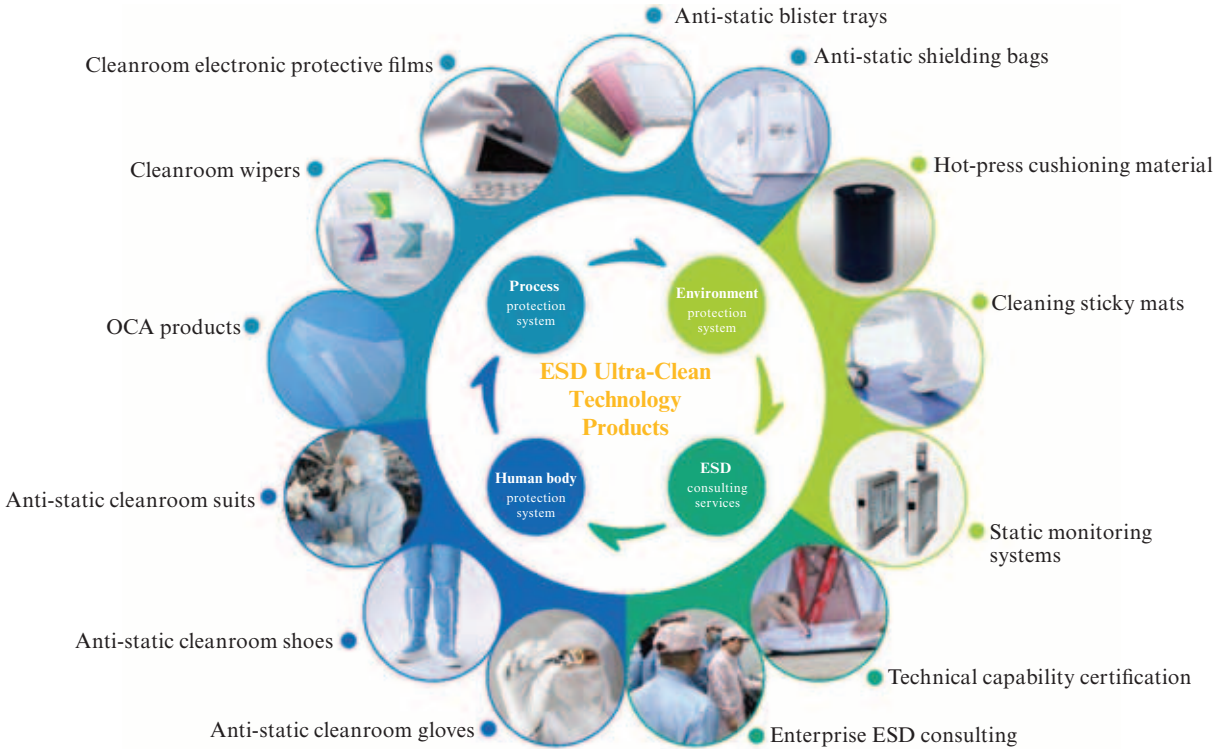
Advanced Materials for Solid-State Batteries

Building on our established position in high-purity lithium compound products, we are commercializing a portfolio of solid-state battery materials spanning high-voltage cathode materials and lithium sulfide feedstock for sulfide solid electrolytes for hybrid liquid-solid and all-solid-state batteries. Our cathode materials programs include medium- and high-nickel high-voltage ternary materials, lithium cobalt oxide products including O3 and O2 lithium cobalt oxide, and high-voltage manganese-based systems including lithium-rich manganese-based cathode materials and spinel lithium nickel manganese oxide. Several cathode products have advanced to pilot-scale production, while additional products are progressing through customer sampling and qualified evaluations, with select products already generating initial sales to lithium-ion battery cathode material manufacturers. In parallel, we are scaling high-purity lithium sulfide (Li2S) via a short-process route using low-cost lithium and sulfur salts, achieving 99.9% purity, and advancing customer validation as we ramp production volume. See also, "— Research and Development — Key R&D Initiatives — Solid-State Battery Materials" and "— Research and Development — Key R&D Initiatives — Ion Exchange Membrane Materials."

ESD Ultra-Clean Technology Products

ESD ultra-clean technology products are critical for advanced manufacturing as semiconductor and electronics industries move to smaller processing nodes and higher precision requirements. Even microscopic particulate contamination, trace ion contamination or minor electrostatic events can cause critical defects in chips, displays, and precision electronic components, directly impacting yield rates and product quality. These stringent technical demands create high barriers to entry and require suppliers to demonstrate consistent quality, rapid customization capabilities, and deep understanding of evolving manufacturing requirements from high-maintenance customers in fast-growing industries.

We develop, manufacture, and sell ESD control and micro-contamination control products and solutions to address these critical needs, maintaining control over the entire value chain from R&D through production to sales. Our principal products and services cover all key areas of ESD control and micro-contamination control, namely, (i) human body protection, including anti-static cleanroom suits, shoes, and gloves; (ii) process protection, including anti-static trays, shielding bags, protective films, and cleanroom wipes; (iii) environment protection, including cleaning adhesive dust mats and electrostatic monitoring systems; and (iv) ESD consulting services, including technical capability certification and enterprise ESD consulting. We also provide specialized materials for the electronics industry, including OCA optical adhesives and silicone cushion products used in critical manufacturing processes.

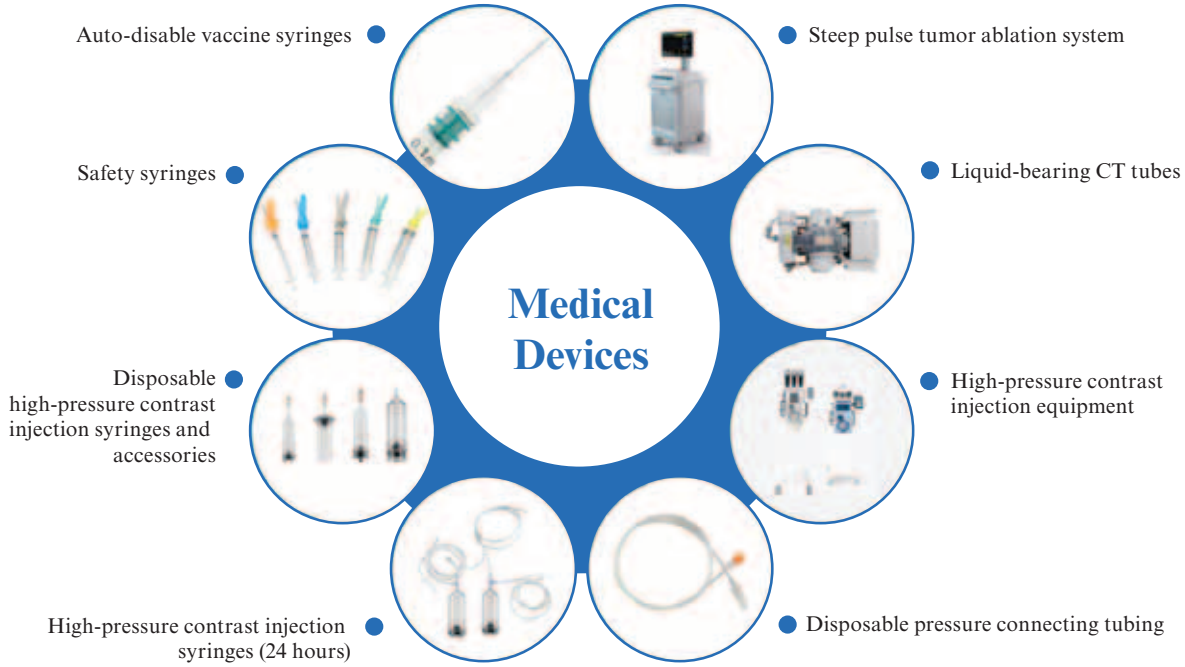


Our business model combines standardized products for high-volume applications with customer-specific solutions tailored to particular operating environments and production procedures. Supported by our established technology foundation and accumulated practical experience, we design and deliver industry solutions that address customers' on-site requirements while maintaining efficient and scalable production and delivery. We maintain collaborative relationships with key customers, enabling us to provide technical support and solution design services alongside product supply.

Our products serve customers in industries with stringent ESD and micro-contamination control requirements, including semiconductor, display panel, hard disk drive, automotive electronics and pharmaceutical manufacturing, and we serve both domestic and international markets, including the United States, Europe, Japan and Southeast Asia. Our ESD expertise is recognized internationally through our role as the official ESDA channel partner in China and as the first Asian organization to achieve ESDA Product Qualification Laboratory Certification. Domestically, we serve as the designated East China regional training base for the Anti-Static Equipment Branch of China Electronic Equipment Industry Association, and have contributed to drafting over 20 national and industry standards covering cleanroom static control, anti-static garments, ESD shielding materials, and real-time static monitoring systems.

Medical Devices

We develop, manufacture, and sell a broad range of disposable and high-value medical devices, maintaining full control over the entire value chain from R&D through production to sales. Our key medical device products include high-pressure contrast injection products for medical imaging, comprising high-pressure contrast injection syringes, related injection systems, and associated consumables such as pressure connecting tubing and other disposable accessories, which are used in CT, MRI and DSA procedures. We also manufacture auto-disable vaccine syringes, which incorporate auto-disable mechanisms designed to prevent reuse and have been used in international immunization programs. In addition, we offer safety syringes with integrated safety features designed to reduce needlestick injuries and to meet relevant healthcare worker protection requirements in certain markets, including the EU and the United States. During the Track Record Period, we primarily generated revenue from our high-pressure contrast injection products for medical imaging, as well as auto-disable vaccine syringes and safety syringes. We have also developed a steep pulse tumor ablation system and are developing CT-related components, including liquid-bearing CT tube technology as part of our product pipeline.



We provide both standardized products for high-volume applications and customized products tailored to clinical requirements and procurement specifications. Our products serve public health organizations, hospitals, imaging centers, and clinical facilities across both domestic and international markets. Our regulatory certifications further enable us to serve diverse global markets. As of December 31, 2025, we hold 45 national product registrations in China, 21 CE-certified products covering 27 EU member states, 12 WHO PQS certificates, US FDA 510(k) approval for five products, and three Canadian MDL certificates. We have obtained MDR certifications for certain products and are in the process of obtaining additional MDR certifications to support continued access to, and expansion in, the European market.

LITHIUM RESOURCES

Our upstream lithium resources cover a broad geographic scope. We primarily use spodumene and lepidolite in the production of our main new energy lithium-ion battery material products. As of December 31, 2025, we had access to lithium resources across multiple core lithium-rich regions spanning Australia, Asia, Africa and South America. We access these resources 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.

The following table sets forth certain details regarding the mine resources in which we hold equity interests and operate or have significant influence over their operations. We have obtained all material permits, licenses, approvals, and certificates required for our exploration, development, and mining activities in respect of our mining operations. In addition, we also held minority equity interest in five other lithium mines located in Australia and Africa for strategic business partnership purposes.

Mine	Year Interest Acquired	Equity Interest in Mining/ Exploration Rights[1]	Location	Type of Resource	Lithium Reserve Amounts (in millions tons LCE)[2]	Grade (in average lithium oxide grade)[3]
Rongxuka South	2025	93.3%	Asia	Spodumene	—[4]	—[4]
Jinzifeng	2025	55.0%	Asia	Lepidolite	4.2	0.3%
Ogapa	2024	37.5%	Africa	Spodumene	0.4	1.3%
Tantale	2025	37.1%	Africa	Spodumene	0.8	1.4%

Notes:

(1) Reflecting ultimate ownership of equity interests

(2) Measured in accordance with the relevant standards of the jurisdiction in which the mines are located. Amount of lithium resources listed reflect the identified resource amount or the indicated and inferred resource amount, as the case may be, based on current exploration efforts and may increase based on additional exploration efforts in the future.

(3) Calculated by dividing the weight of lithium oxide contained in the ore by the total weight of the ore, represented as a percentage.

(4) Rongxuka South is currently at a preliminary stage of exploration and no estimate of its lithium resources is available.

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. During the Track Record Period, we did not produce any lepidolite concentrate, while a portion of our spodumene concentrate supply was self-produced. Such self-produced spodumene concentrates as a percentage of our total spodumene concentrate supply amounted to approximately nil, 6.5% and 15.5% for the years ended December 31, 2023, 2024 and 2025, respectively. We consider our spodumene concentrates to be self-produced where they are sourced (i) from mining operations in which we hold equity interests, or (ii) from entities over which we exercise significant influence through our equity interests and with which we have entered into long-term offtake agreements, under which our suppliers have committed to provide specified quantities of lithium concentrates over agreed contract periods or otherwise provided for in the relevant agreements. During the Track Record Period, Ogapa mine was the only mine in which we held an equity interest that contributed to our lithium concentrate supply during the Track Record Period, while the other mines were at various stages of exploration or development. The remaining portion of our self-supplied spodumene concentrates during the Track Record Period was secured through a long-term offtake arrangement that entitles us to 70% of the annual lithium raw materials produced by an associate company.

BUSINESS

PRODUCTION

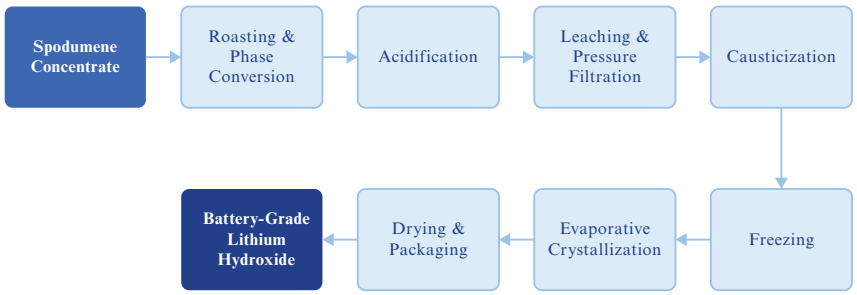
Production of New Energy Lithium-Ion Battery Materials

Production Processes

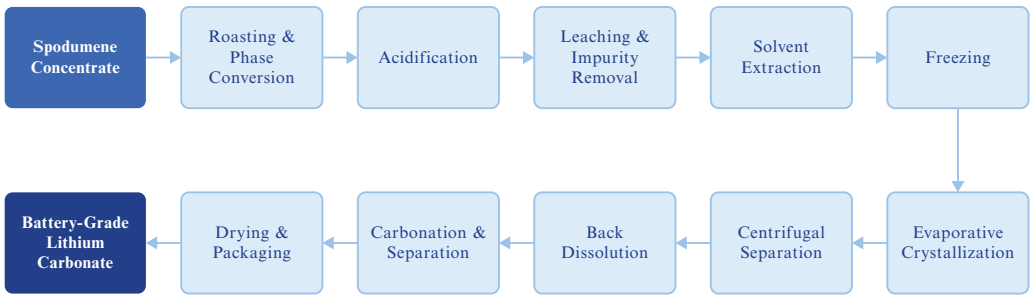
Our new energy lithium-ion battery materials segment primarily comprises lithium compound products, and also includes other advanced materials for solid-state batteries. The diagrams below summarizes the two production process flows for our lithium compound products.

- **Spodumene (sulfuric acid method):** Used for the production of both battery-grade lithium hydroxide and lithium carbonate. The key process steps include calcination and phase conversion, acidification, leaching and impurity removal, causticization, freezing, evaporative crystallization, and drying and packaging. For lithium carbonate production, additional steps of centrifugal separation, re-dissolution, and carbonation and separation are incorporated.

Production of Battery-Grade Lithium Hydroxide from Spodumene

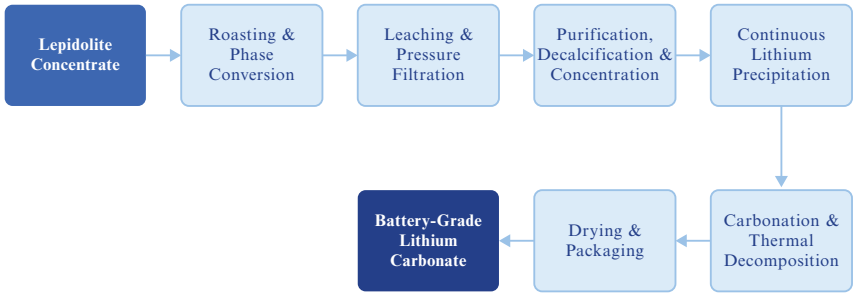


Production of Battery-Grade Lithium Carbonate from Spodumene



- **Lepidolite (sulfate roasting method):** Used for the production of battery-grade lithium carbonate. The key process steps include calcination and phase conversion, leaching and filter pressing, purification, calcium removal and concentration, continuous lithium precipitation, carbonation and thermal decomposition, and drying and packaging.

Production of Battery-Grade Lithium Carbonate from Lepidolite



We have implemented proprietary process innovations and process control measures, including simulation-based calcination parameter optimization, an automated process control system for our conversion kilns, enhanced time and temperature controls in the acidification and slurry preparation stage, and lithium oxide content requirements for by-product recycling. We maintain rigorous quality control, with a first-pass yield (FPY) above 99.4% in 2025 and no major quality incidents reported during the Track Record Period.

Production Facilities

As of December 31, 2025, we operated three facilities in China that produced lithium compounds for both direct sales and tolling arrangements, details of which are set forth in the table below:

Production Base	Location	Gross Floor Area *(sq.m.)*	Primary Products
Yibin Facility	Yibin City, Sichuan Province	137,348	Battery-grade lithium hydroxide
Meishan Facility	Meishan City, Sichuan Province	109,525	Battery-grade lithium hydroxide, battery-grade lithium carbonate
Yichun Facility	Yichun City, Jiangxi Province	70,748	Battery-grade lithium carbonate

The table below sets forth the production capacity, production volume and utilization rates of our main lithium compounds production facilities during the Track Record Period:

		Year ended December 31,								
		2023			2024			2025		
		Effective Production Capacity[1] *(in 1,000 tons)*	Production Volume *(in 1,000 tons)*	Utilization Rate[2] *(%)*	Effective Production Capacity[1] *(in 1,000 tons)*	Production Volume *(in 1,000 tons)*	Utilization Rate[2] *(%)*	Effective Production Capacity[1] *(in 1,000 tons)*	Production Volume *(in 1,000 tons)*	Utilization Rate[2] *(%)*
Yibin Facility[3]	Battery-grade lithium hydroxide	50.0	48.2	96.3	50.0	49.6	99.1	75.0	48.2	64.3
Meishan Facility[4]	Battery-grade lithium hydroxide	22.5	18.2	80.9	55.0	44.5	79.3	17.5	11.3	89.3
	Battery-grade lithium carbonate	—	—		4.4	2.7		37.5	37.4	
Yichun Facility[5]	Battery-grade lithium carbonate	5.0	1.3	25.8	30.0	8.3	27.7	30.0	10.0	33.2

Notes:

1. The effective production capacity refers to the average design production capacity after multiplying each month's designed production capacity by the number of months in actual production.

2. Utilization rate during the year is calculated by dividing production volume by the effective production capacity for the same year.

3. For the year ended December 31, 2025, the design capacity of our Yibin Facility was 75,000 tons of battery-grade lithium hydroxide per annum. The utilization rate of our Yibin Facility decreased from 96.3% in 2023 and 99.1% in 2024 to 64.3% in 2025, primarily due to our increased effective production capacity following the commissioning of a new production line, and our production arrangements in light of our existing inventory and the prevailing lithium compounds market prices.

4. Our Meishan Facility adopts a flexible production line arrangement, which allows us to optimize capacity allocation dynamically between battery-grade lithium hydroxide and battery-grade lithium carbonate based on price trends and downstream order volumes. For the year ended December 31, 2025, the design capacity of our Meishan Facility was 60,000 tons of battery-grade lithium hydroxide per annum or 53,000 tons of battery-grade lithium carbonate per annum. Our first flexible battery-grade lithium carbonate production line, with a design capacity of 26,500 tons per annum, commenced production in November 2024. In 2025, we allocated more production resources toward battery-grade lithium carbonate and commissioned a second flexible battery-grade lithium carbonate production line, also with a design capacity of 26,500 tons per annum, in August 2025. This strategic shift led to an increase in the effective battery-grade lithium carbonate production capacity at our Meishan Facility from the end of 2024 through 2025. Consequently, the effective production capacity for battery-grade lithium hydroxide was reduced during the corresponding period. The utilization rate of our Meishan Facility is calculated on a converted-equivalent basis by converting both battery-grade lithium hydroxide and battery-grade lithium carbonate into a single product equivalent, using a conversion ratio derived from their respective effective production capacities for the relevant year.

5. Our Yichun Facility, which commenced production in November 2023, was primarily set up for toll processing. For the year ended December 31, 2025, the design capacity of our Yichun Facility was 30,000 tons of battery-grade lithium carbonate. During the Track Record Period, the utilization rate of the Yichun Facility primarily reflected its toll-processing operating model, under which production volumes were driven by customer tolling orders. Accordingly, utilization rate depended mainly on the availability of customer-supplied feedstock and our customers' production plans.

Our production infrastructure is designed with flexibility in mind. At our Meishan Facility, our production lines adopt a shared front-end process and branched back-end process design, incorporating an integrated carbonation process module that enables the production of both battery-grade lithium-ion hydroxide and lithium-ion carbonate with rapid switchover, allowing us to rapidly respond to diverse downstream product requirements.

We plan to expand our capacity across key stages of the lithium-ion battery materials value chain, including enhancing our production capacity of new energy lithium-ion battery material. For details, see "Future Plans and [REDACTED]." Our expansion decisions consider market demand dynamics, our competitive position in resource access and operational efficiency, and our established customer relationships. There is no guarantee that any of the expansion projects will proceed as planned. Our Directors may determine in the future that postponing a project is in the best interest of the Company after considering the prevailing market conditions, our financial resources and other relevant factors. See also, "Risk Factors — Risks Relating to our Business and Industry — 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."

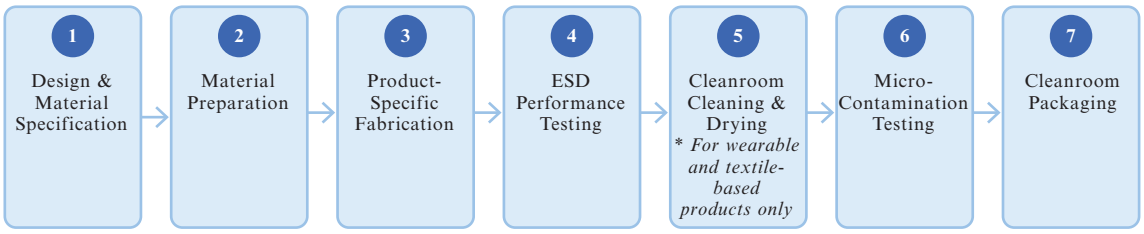
Critical Machinery and Equipment

We equip our production facilities with advanced equipment which we believe is essential for automation, production efficiency, and cost competitiveness. The core equipment used in our lithium compound production process includes kilns, ball mills, refrigeration systems, and evaporation systems, all of which are sourced from established third-party suppliers. We have maintained longstanding relationships with our key equipment suppliers, and we regularly evaluate equipment performance and maintain the flexibility to adjust our supplier relationships as needed to ensure reliable supply and adequate maintenance support.

We own most of the major machinery and equipment at our production facilities. Many of our machines require minimal human operation, allowing us to reduce labor costs and focus our manufacturing facility staffing on maintenance and supervisory personnel. We conduct regular maintenance and strategic upgrades to our machinery and equipment to maintain operational efficiency.

Production of ESD Ultra-Clean Technology Products

While our ESD ultra-clean technology product portfolio spans a diverse range of product categories, our production processes share a common quality-critical backbone that reflects the technical demands of the industries we serve.



(1) Design and material specification, where we define the ESD and contamination control parameters for each product, such as static discharge path design for garments, anti-static compound formulations for molded products, and conductive fabric weave parameters for textile-based products. Product designs are typically developed in close coordination with customers to ensure alignment with their specific performance requirements and end-use environments.

(2) Material preparation, where base materials are either custom-procured and functionally treated, formulated in-house using our proprietary anti-static agents and compounds, or processed under cleanroom conditions, depending on the product type.

(3) Product-specific fabrication, which varies across our product lines and encompasses processes such as sewing, injection molding, vacuum forming, coating, and precision assembly, many of which are conducted in cleanroom environments ranging from Class 10 to Class 1,000.

(4) ESD performance testing, which is applied across every product category and encompasses measurements of conductivity resistance, friction voltage, charge decay time, and electrostatic shielding effectiveness, among other parameters.

(5) Cleanroom cleaning and drying, for wearable and textile-based products, using deionized water and our proprietary cleaning solvents and formulas in controlled cleanroom environments.

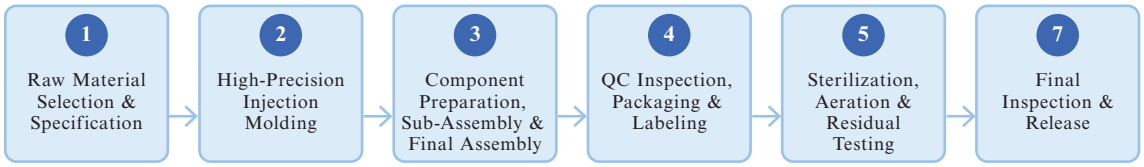
(6) Micro-contamination testing, which is applied across nearly all product categories and involves the detection of ionic content, particulate matter, silicone oil, fibers, non-volatile residues (NVR), and harmful volatile gases, with testing parameters calibrated to the specific cleanliness standards required by each customer's production environment.

(7) Cleanroom packaging, where finished products are packaged in controlled cleanroom environments to preserve their ESD and contamination control properties, with packaging specifications tailored to customer requirements and end-use conditions.

Several of these shared quality-critical processes are underpinned by our proprietary core technologies, including our anti-static formulations, cleanroom cleaning and solvent formulas, and fabric functional treatment processes, which together form a significant part of our competitive moat in the ESD ultra-clean technology products market.

Production of Medical Devices

Our key medical device products primarily include injection products and the typical production process for such medical devices is summarized in the diagram below.



(1) Raw material selection and specification confirmation, where we define the polymer grades and biocompatibility requirements for each product line.

(2) High-precision injection molding, where barrel, plunger, and cap components are produced using validated tooling to tight dimensional tolerances.

(3) Component preparation, sub-assembly, and final assembly, where components are printed with identification markings, treated as required, and inspected as discrete sub-units prior to final assembly within a qualified cleanroom environment.

(4) QC inspection, packaging, and labeling, where each assembled device undergoes visual, dimensional, and sterile barrier seal integrity checks before being sealed into its packaging, and labeled in compliance with applicable regulatory and customer requirements.

(5) Ethylene oxide (EO) sterilization, degassing, and residual testing, where finished devices are sterilized using ethylene oxide gas, then degassed and tested to confirm that residual gas levels are within established safety limits before product release.

(6) Final inspection and release, where a comprehensive batch record review is conducted against all in-process and finished product acceptance criteria.

RESEARCH AND DEVELOPMENT

Our R&D Capabilities

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.

As of the Latest Practicable Date, we have led or participated in the formulation of more than 40 technical standards and guidelines, including one international standard, 19 national standards (GB/T) and ten industry standards. Representative examples include the participation in the compilation of the International Lithium Association's Guidelines for Determining the Product Carbon Footprint (PCF) of Lithium Products, our leading role in drafting the industry standard FZ/T 80014–2024 (Cleanroom garment — General technical specifications), and our involvement as a primary drafting or participating organization in formulating a series of China's electrostatic protection standards for the electronics industry, including GB/T 37977.51–2023 (Electrostatics — Part 5–1: Protection of electronic devices from electrostatic phenomena — General requirements).

We have also been approved to operate a national-level postdoctoral research workstation, through which we conduct frontier research and recruit outstanding talent in new energy materials, electrostatic protection, and medical devices. Our principal academic collaboration partners include

the Institute of Physics of the Chinese Academy of Sciences, the Suzhou Institute of Nano-Tech and Nano-Bionics of the Chinese Academy of Sciences, Dalian University of Technology, Tianjin University, Zhejiang University, and Gusu Laboratory of Materials, among other leading research institutions.

R&D Organization and Processes

Our R&D organization comprises the group research institute and dedicated R&D departments established within each business segment.

- Our group research institute oversees two categories of projects. One category is frontier technology projects aligned with the long-term strategic development objectives. These projects are staffed by recruiting experienced R&D professionals from across the industry to achieve foundational technological breakthroughs. Upon successful validation of the commercial rationale within the group research institute, these technologies are either integrated into existing business segments or established as independent business units for industrialization. Another category encompasses cross-segment projects submitted by individual business divisions to the group level, requiring the coordination of multiple resources for collaborative development. For these projects, internal talent resources are organized and supplemented through external recruitment or partnerships to facilitate joint research efforts.

- At the business segment level, we have R&D departments that focus on the specific demands of their respective industries, developing tailored production processes, engineering solutions, and supporting equipment suited to their individual market characteristics. These R&D departments are strategically located in key regions including Yibin, Meishan, Suzhou, and Wuxi, enabling close collaboration between our R&D and production teams and supporting research efficiency.

Our R&D activities are governed by a customer-integrated product development (CIPD) framework that is structured around the following five core processes.

(1) Strategic planning, through which we develop product and technology roadmaps that define our medium- to long-term R&D direction.

(2) Requirements analysis, where these roadmaps, together with short-term or urgent needs identified through ongoing market engagement, are translated into defined project plans through a structured workflow of requirements registration, review, market research, feasibility analysis, and plan formation.

(3) Project initiation and decision review, where projects are formally evaluated and tiered by significance, with the most strategically important projects subject to group-level review and others reviewed at the business division or company level.

(4) Product realization, which follows a gated structure spanning four phases of planning, development, verification, and release to mass production, with progress through each phase governed by decision checkpoints and technical reviews to ensure that commercial viability and technical readiness are rigorously validated before advancement to the next stage.

(5) In parallel, our pre-research development supports the exploration of frontier technologies. Pre-research projects follow their own lifecycle from initiation through planning, development, and validation, with successful outcomes either transferred into the product development pipeline of an existing business segment, applied directly to mass production, or retained as technology reserves for future deployment.

In addition to our in-house development, we also collaborate with research institutions, and have established joint R&D mechanisms with, among others, the Institute of Physics of the Chinese Academy of Sciences and Tianmu Lake Institute, enabling our research to cover multiple solid-state battery technology pathways and supporting the commercialization of our technologies.

Key R&D Initiatives

Through sustained investment in R&D, we have achieved the following key milestones:

Solid-State Battery Materials

Solid-state battery technology represents a critical frontier in lithium-ion battery development, and we have designated it as a core strategic priority. Leveraging our well-established business foundation in lithium resources and battery-grade lithium chemicals, we focus on the development of high specific energy, high safety cathode materials and core electrolyte feedstocks tailored to the requirements of solid-state battery systems. Our cathode material projects portfolio includes ultra-high nickel ternary systems, high-capacity lithium-rich manganese-based materials, high-voltage spinel lithium nickel manganese oxide, and O2-phase lithium cobalt oxide, among others. Several cathode products have advanced to pilot-scale production, while additional products are progressing through customer sampling and qualified evaluations, with select products already generating initial sales to lithium-ion battery cathode material manufacturers.

Our continued R&D spans cathode material adaptation and application in oxide, polymer, sulfide, and halide electrolyte systems, with a particular emphasis on addressing several key technical and manufacturing challenges, including material stability, interface compatibility, and process scalability. We have established R&D and pilot-scale production capabilities for solid-state battery cathode materials, forming a vertically integrated structure with upstream operations and continuously enhancing the value we deliver to our customers. These efforts have been recognized through funding support from two major research initiative grants from Jiangsu Province. We have also led the application for the Suzhou Innovation Consortium for key materials in next-generation lithium-ion batteries, and our project teams have participated in numerous innovation and entrepreneurship competitions, earning several notable accolades.

Ion Exchange Membrane Materials

Ion exchange membranes serve as a core functional component across various clean energy systems and industrial processes. These include flow batteries essential for grid-scale energy storage, electrolyzers critical for green hydrogen production, and hydrogen fuel cells. Furthermore, they are vital in processes such as lithium extraction from salt lakes. Within these applications, the membranes selectively conduct ions while forming a physical barrier, with their performance directly influencing system efficiency, service life, and safety. Today, these applications rely predominantly on perfluorosulfonic acid membranes, which are facing increasing regulatory restrictions in a number of jurisdictions due to their environmental persistence. Hence, there is a growing demand for alternative membrane materials that can deliver comparable ionic conductivity, chemical stability, and mechanical strength. To address this need, we are developing ion exchange membranes, and have already developed such materials samples and submitted them to several renowned enterprises with positive initial test results. These membranes may also have future applications in hydrogen fuel cells. Our membrane products are positioned to offer a domestically manufactured, alternative within a market presently dominated by imported materials.

ESD and Micro-Contamination Control Solutions

As semiconductor manufacturing advances toward increasingly refined process nodes, precise control of electrostatic discharge and micro-contamination has become essential. Drawing on nearly three decades of experience in electrostatic and micro-contamination prevention across the semiconductor, LCD panel, automotive electronics and ICT communications industries, we have developed comprehensive solutions spanning electrostatic elimination, electrostatic monitoring and

environmental monitoring for advanced semiconductor processes, including high-performance ionizing blowers, particulate testing instruments and electrostatic testing kits, enabling real-time intelligent monitoring and precise control of process parameters.

Innovative Medical Devices

Our medical device segment has developed two products addressing unmet needs in their respective clinical areas. The CT tube is a critical, high-value, and frequently replaced component in computed tomography equipment. Our liquid-bearing CT tubes replace traditional ball bearings with liquid metal lubrication, eliminating mechanical wear and reducing vibration. This improves heat dissipation efficiency and extends tube service life compared to conventional designs.

We have also developed a steep pulse tumor ablation system, also known as a nanosecond pulsed electric field ablation system, which is an emerging minimally invasive technology for tumor treatment. This system uses irreversible electroporation to achieve non-thermal ablation, making it applicable to tumors in anatomical locations where conventional thermal ablation is unsuitable.

SALES AND MARKETING

Our Sales Network

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.

The following table sets forth a breakdown of our revenue by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands, except for percentages)					
Direct Sales	10,282,463	98.2%	6,426,426	97.2%	7,365,120	97.6%
Distributor Sales	185,254	1.8%	181,824	2.8%	183,706	2.4%
Total	**10,467,717**	**100.0%**	**6,608,250**	**100.0%**	**7,548,826**	**100.0%**

Direct Sales

We adopt a direct sales approach for our new energy lithium-ion battery materials business and ESD ultra-clean technology product business. This is because customers for our new energy lithium-ion battery materials typically require close coordination on technical specifications, product qualification and delivery planning, while customers for our ESD ultra-clean technology products often have stringent contamination control requirements and require ongoing technical support aligned with their operating environments. As of December 31, 2025, we had a dedicated sales and marketing department of 111 personnel. Our direct sales team leads customer engagement and commercial negotiations, and works closely with our technical and R&D teams to provide product selection support, technical communication and after-sales service, which helps us build long-term customer relationships and respond efficiently to customer requirements.

The salient terms of our typical direct sales agreements with our lithium compound product customers include the following:

- ***Pricing.*** The pricing is determined with reference to prevailing market price indices for the relevant materials.

- ***Delivery and transfer of risk and title.*** Where we arrange transportation to a customer-designated location, we bear the risks associated with the products until the customer confirms receipt, at which point title and risk transfer to the customer. Where the customer arranges its own collection, risk of loss or damage transfers to the customer upon loading of the goods.
- ***Payment.*** Payment terms typically range from prepayment to monthly settlement for ongoing arrangements or agreed credit terms following invoicing.
- ***Warranty.*** We typically provide a warranty period of three or six months from the date of production for our lithium compound products, depending on the product type.
- ***Return policy.*** Our sales contracts specify quality standards and procedures for handling quality disputes. Where a defect is attributable to us, defective products may be returned or replaced at our expense.
- ***Termination.*** We may terminate the contract upon a customer's violation of contractual restriction. Either party may terminate the contract by written notice if performance is materially prevented by a force majeure event for more than 30 days.

We also provide tolling services for lithium compound products on a fee-for-service basis for certain customers. Tolling arrangements typically specify processing specifications, quality standards and acceptance criteria, and yield and loss allowances, tolling costs, tolling quantity, along with logistics responsibilities and payment terms.

For our ESD ultra-clean technology products, we primarily provide these under purchase orders and, in some cases, framework supply arrangements, with pricing typically based on quotations or agreed price lists. Payment terms may include prepayment or settlement within an agreed period following invoicing, which may extend up to approximately three months for certain customers. Delivery, inspection, and acceptance are conducted in accordance with the applicable order or agreement.

Distributor Sales

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. We engage distributors where appropriate to reflect local channel practices and regulatory requirements and to expand market coverage, particularly in markets where distributors have established access to hospitals, physicians and other healthcare providers. Most of our distributors are established medical device distribution and trading companies with strong local sales networks. According to Frost & Sullivan, such practice is in line within the medical device industry.

As of December 31, 2025, we had established a distribution network comprising 738 distributors. The table below sets forth the movement in number of our distributors for our medical devices business during the Track Record Period:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of distributors at the beginning of the year	471	668	733
Addition of new distributors	352	226	173
Termination of existing distributors	155	161	168
Number of distributors at the end of the year	**668**	**733**	**738**

We select and establish relationships with reputable distributors based on their respective qualifications and licenses required for the distribution of the relevant categories of medical devices. We primarily regulate the conduct of our distributors through distribution agreements. Salient terms of our typical agreements with distributors are set out below:

- ***Delivery and transfer of risk.*** We generally deliver our products to the locations designated by the distributor. Risk in the product is generally transferred to the distributor upon handover to the distributor's designated carrier or upon delivery to the designated location.
- ***Payment.*** The distributor is generally required to prepay a deposit upon signing the contract, and we will arrange production and shipment typically within 30 days after receiving the deposit. The balance of the purchase price is generally required to be paid before shipment.
- ***Minimum purchase amount and sales target.*** We do not set minimum purchase amount or sales target for our distributors.
- ***Return policy.*** Only products proven defective by a testing institution or failing to meet agreed types, specifications, quantity or appearance requirements may be returned.
- ***Termination.*** The contract may be amended or terminated by mutual written agreement. In addition, the distributor may terminate the contract if we fail to deliver the products within an agreed period after the agreed delivery date for reasons not attributable to the distributor.

We maintain a principal-to-principal seller-buyer relationship with our distributors. Distributors purchase products from us and resell them to downstream customers through their own channels, and we generally do not appoint them as our agents or authorize them to enter into contracts on our behalf. Our revenue is generated from product sales to these distributors under agreed commercial terms and is recognized upon delivery acceptance by the distributors in accordance with our revenue recognition policies. Given our principal-to-principal sales arrangements, the absence of minimum purchase requirements or mandatory sales targets for our distributors, and our ongoing monitoring of ordering patterns and settlement status, we believe our sales generally correspond to underlying market demand and our distribution model presents a relatively low risk of channel stuffing. To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. During the same period, to the best knowledge of our Directors, we were not aware of any material non-compliance by our distributors with the material terms and conditions of our distributor agreements and policies.

In addition, to further extend market reach and service coverage, we do not prohibit our distributors from engaging sub-distributors within their designated territories to assist with marketing and sales. Any sub-distribution arrangements are entered into directly between the distributor and its sub-distributors, and we are not a contractual party to such arrangements. We rely on our distributors to manage and supervise any sub-distributors they engage, and we exercise indirect oversight through our distributors through our distribution agreements.

Marketing

Our marketing approach is focused on supporting customer acquisition and retention. We prioritize relationship-based marketing and technical credibility, relying on our operating track record, product performance and service capability to strengthen customer confidence. We promote brand awareness and product recognition primarily through participation in industry exhibitions and trade fairs, supplemented by targeted communications with customers and other industry participants. This approach supports long-term customer relationships and reinforces our competitive position across our key markets.

Pricing

We price our products and services through a comprehensive assessment of factors such as customer relationships, raw material and production costs, product specifications, market demand and operational objectives.

For our lithium compound products, pricing is primarily determined by reference to relevant market price indices, with adjustments that may reflect product specifications, order volume, delivery terms, and customer arrangements. Given the nature of the lithium market, pricing for these products is inherently responsive to prevailing macroeconomic conditions and competitive pressures. For our tolling services for lithium compound products, pricing is primarily determined by reference to prevalent market conditions, gross profit margin, and cost of sales. To maintain profitability in volatile market environments, we continuously reference market conditions and input costs, adjusting our pricing and contract terms to reflect shifts in demand, competition, and cost dynamics. These efforts are further supported by our raw material sourcing, which includes internally supplied lithium concentrate, and our flexible approach to production planning and inventory management. For details, see "— Raw Materials."

For our ESD ultra-clean technology products, pricing is generally set by quotation or agreed price lists and is primarily driven by product specifications, order requirements, production and quality control costs, and prevailing market demand. During the Track Record Period, we offered a broad range of products where the indicative selling prices varied significantly depending on product type: (i) certain small or basic consumables and components were typically priced below RMB10 per unit, while others such as cleanroom apparels were priced from the tens to hundreds of RMB per unit; (ii) durable equipment and static monitoring systems are generally priced from the hundreds to several thousands of RMB per set, depending on system complexity and performance specifications; and (iii) service fees were typically determined on a solution-based basis, with pricing primarily driven by the scope of work, complexity and agreed deliverables.

For our medical devices, pricing is determined based on product specifications, tender and procurement requirements where applicable, competitive landscape, and costs associated with compliance, quality management and after-sales service. Pricing may differ across jurisdictions and channels and is influenced by local market conditions and applicable regulatory requirements. During the Track Record Period, indicative selling prices of our key products ranged from less than RMB1 for certain auto-disable vaccine syringes to double-digit prices for high-pressure contrast injection syringes, with variations primarily driven by product specifications, and channel and geographic mix.

OUR CUSTOMERS

During the Track Record Period, our major customers primarily included 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. The following table sets out details of our five largest customers in each year during the Track Record Period:

Year Ended December 31, 2023

Rank	Customer	Sales Amount *(RMB'000)*	% of Total Revenue *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Purchased
1	Company A	2,539,526.3	24.3	30 or 90 days	2022	New energy lithium-ion battery materials and ESD ultra-clean technology products
2	Customer B	1,928,118.0	18.4	Advance payment or 15 days after the bill of lading date	2023	New energy lithium-ion battery materials
3	Customer C	1,168,234.7	11.2	Advance payment or 15 days after the bill of lading date	2022	New energy lithium-ion battery materials
4	Company D	1,004,883.6	9.6	30 days after invoice	2022	New energy lithium-ion battery materials
5	Customer E	518,514.0	5.0	15 days after settlement	2021	New energy lithium-ion battery materials
Total		7,159,276.7	68.4			

Year Ended December 31, 2024

Rank	Customer	Sales Amount *(RMB'000)*	% of Total Revenue *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Purchased
1	Company A	1,252,591.1	19.0	30 or 90 days	2022	New energy lithium-ion battery materials and ESD ultra-clean technology products
2	Customer B	914,058.5	13.8	15 days after the bill of lading date	2023	New energy lithium-ion battery materials
3	Company D	770,944.3	11.7	30 days	2022	New energy lithium-ion battery materials
4	Customer F	699,906.1	10.6	30 days	2021	New energy lithium-ion battery materials
5	Customer G	258,971.9	3.9	30 days	2022	New energy lithium-ion battery materials
Total		3,896,472.0	59.0			

Year Ended December 31, 2025

Rank	Customer	Sales Amount *(RMB'000)*	% of Total Revenue *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Purchased
1	Company A	1,735,972.7	23.0	30 or 90 days	2022	New energy lithium-ion battery materials and ESD ultra-clean technology products
2	Customer F	1,066,930.8	14.1	30 days	2021	New energy lithium-ion battery materials
3	Customer H	627,545.4	8.3	15th of the month following the month of shipment or 30 days	2021	New energy lithium-ion battery materials
4	Customer G	404,374.2	5.4	30 days	2022	New energy lithium-ion battery materials
5	Customer I	385,334.1	5.1	Advance payment	2025	New energy lithium-ion battery materials
Total		4,220,157.1	55.9			

Notes:

1. Company A is a listed company headquartered in Ningde, Fujian Province principally engaged in the research, development and manufacturing of lithium-ion batteries and related battery systems.
2. Customer B is a listed company based in South Korea principally engaged in the manufacturing of battery materials, including cathode and anode materials for lithium-ion batteries.
3. Customer C is a listed company based in South Korea principally engaged in the manufacturing of lithium-ion batteries.
4. Company D is a listed company headquartered in the U.S. mainly engaged in the manufacturing and sales of lithium compound products, and operates lithium mines globally.
5. Customer E is a listed company headquartered in Shenzhen, Guangdong Province principally engaged in the manufacturing of lithium-ion batteries.
6. Customer F is private company based in Lanzhou, Gansu Province principally engaged in the research, development, production and sale of lithium-ion battery materials.
7. Customer G is a listed company headquartered in Beijing principally engaged in the manufacturing of lithium-ion batteries.
8. Customer H is a listed company headquartered in Jiaxing, Zhejiang Province principally engaged in the research and development and manufacturing of new energy lithium-ion battery materials.
9. Customer I is a private company based in Changsha, Hunan Province principally engaged in the manufacturing and sales of lithium-ion battery materials.

During the Track Record Period, our revenue was derived predominantly from a limited number of customers, and our five largest customers in each year accounted for a substantial portion of our total revenue, and our largest customer in each year of the Track Record Period also represented a significant percentage of our total revenue. This concentration reflected the concentrated nature of the lithium-ion battery manufacturing industry and the scale and purchasing requirements of lithium-ion leading battery manufacturers. The contribution of our five largest customers may fluctuate from year to year depending on, among others, market conditions, production plans, procurement strategies and inventory cycles of key customers. As confirmed by Frost & Sullivan, our concentration on major customers is consistent with industry practice. However, any reduction in orders, delay in purchase, deterioration in the business or financial condition of, or loss of, any of our major customers, particularly our largest customer in a

given year, could materially and adversely affect our business, financial condition and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — We derived a significant portion of our revenues from a limited number of major customers during the Track Record Period."

As of the Latest Practicable Date, save for Company A, one of our major shareholders and with which we entered into various strategic partnerships, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers of each of the year during the Track Record Period. For details on our relationship with Company A, see "History and Corporate Structure — Corporate Development and Major Shareholding Changes — Share Transfer by Our Single Largest Group of Shareholders to CATL".

RAW MATERIALS

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 constitute the primary raw materials for our medical devices. During the Track Record Period, cost of raw materials amounted to RMB6,335.8 million, RMB3,865.5 million and RMB4,811.1 million, respectively, representing 80.5%, 73.7% and 74.1% of our cost of sales for the respecive years.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of or any quality issues with our raw materials that materially affected our operations. To mitigate raw material price volatility, we have implemented a combination of operational and financial measures:

- For major raw materials such as lithium concentrate, we seek to diversify our supplier base and procurement channels. 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. As part of this strategy, we have established a diversified global lithium resource layout spanning Australia, Asia, Africa and South America. During the Track Record Period, we also procured lithium ore which we processed into lithium concentrates to supplement our externally procured supply. We believe this diversified and increasingly integrated sourcing approach enhances the stability of our lithium concentrate supply and helps manage raw material price volatility.

- For auxiliary materials, we negotiate with suppliers through a combination of longer-term arrangements and market-based pricing and may make spot purchases to manage inventory levels and operational needs. This flexible approach allows us to adjust timing and volumes in response to market conditions, helping to mitigate the impact of price volatility on our input costs.

- We generally adopt market-linked pricing mechanisms in our raw material contracts, with pricing determined by reference to prevailing market indices rather than fixed-price arrangements. Our procurement and sales teams coordinate closely to align upstream procurement pricing with downstream customer pricing mechanisms, with a view to managing the impact of price volatility across the supply chain.

- We maintain long-term, cooperative relationships with upstream suppliers and downstream customers, which we believe supports the overall quality and reliability of our raw material supply through more consistent specifications, coordination on delivery schedules and ongoing quality management. We believe these relationships enhance commercial visibility and execution certainty and may strengthen our ability to negotiate pricing terms and adjustment mechanisms, thereby reducing reliance on spot purchases and helping to manage raw material price volatility.

OUR SUPPLIERS

Our suppliers vary across our business segments. For our new energy lithium materials business, our suppliers mainly include mining and mining-related companies, upstream trading companies and commodity traders, and other raw material suppliers. For our ESD ultra-clean technology products business and medical devices business, our suppliers mainly include materials and components manufacturers. As our new energy lithium materials business accounts for a significant portion of our raw material procurement, our largest suppliers are generally raw material suppliers to this segment.

The salient terms of our agreements with our lithium concentrate suppliers include the following:

- ***Pricing.*** Pricing is typically determined with reference to prevailing market price indices for the relevant materials.
- ***Delivery and transfer of risk and title.*** Suppliers are generally required to deliver the products to a designated location. Title to and risk in the products are transferred to us upon delivery of the products to us or our designated first carrier.
- ***Payment.*** Payments are generally made by bank transfer or by letter of credit.
- ***Quality control.*** Products are required to meet agreed specifications and are generally subject to inspection and testing upon delivery. Disputed testing results may be referred to an agreed third-party testing institution whose determination is final and binding.
- ***Return policy.*** If the products do not meet the specifications set out in the agreements, the parties may generally negotiate a price reduction or arrange for the return or replacement of the products.
- ***Termination.*** A non-breaching party generally may terminate the agreement if the other party fails to cure a breach within an agreed period.

We have established a comprehensive supplier management framework comprising three primary systems covering supplier engagement, supplier management and exit throughout the supplier lifecycle. During the supplier engagement process, we primarily assess key factors such as a supplier's operational scale, customer base and financial condition, and have introduced a sample verification stage as part of such process. Following the sample verification stage, we organize cross-functional teams to conduct on-site audits of suppliers with whom we intend to establish non-one-off relationships.

We maintain a qualified supplier list and adopt a performance-based and tiered management approach for qualified suppliers. We apply differentiated management measures based on supplier positioning, business relevance and risk profile. Supplier performance is subject to ongoing assessment and suppliers may enter the exit mechanism as a result of factors such as performance outcomes, product phase-out or compliance considerations. We maintain structured exist and review procedures, including enhanced oversight of high-risk and blacklisted suppliers, to support supply chain stability, quality control and long-term resilience. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any disruption of business as a result of shortages or delays in procurement from our suppliers.

During the Track Record Period, our major suppliers included raw materials 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. The following tables set forth certain information of our five largest suppliers in each year of the Track Record Period.

Year Ended December 31, 2023

Rank	Supplier	Purchase Amount *(RMB'000)*	% of Total Purchase *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Supplied
1	Supplier A	3,736,082.8	42.4	Letter of credit at sight	2020	Lithium concentrate
2	Supplier B	1,331,792.5	15.1	30 days after bill of lading date	2020	Lithium concentrate
3	Supplier C	824,655.9	9.4	Letter of credit at sight	2023	Lithium concentrate
4	Supplier D	268,083.5	3.0	15 business days	2022	Intermediate materials for lithium compound production
5	Supplier E	166,892.0	1.9	Monthly settlement	2020	Auxiliary materials
Total		**6,327,506.7**	**71.8**			

Year Ended December 31, 2024

Rank	Supplier	Purchase Amount *(RMB'000)*	% of Total Purchase *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Supplied
1	Supplier A	737,931.4	12.7	Letter of credit at sight	2020	Lithium concentrate
2	Supplier C	433,330.6	7.5	Letter of credit at sight	2023	Lithium concentrate
3	Supplier B	407,907.7	7.0	30 days after bill of lading date	2020	Lithium concentrate
4	Company D	389,754.4	6.7	Advance payment	2022	Lithium concentrate
5	Supplier F	318,275.4	5.5	Letter of credit at sight	2023	Lithium concentrate
Total		**2,287,199.4**	**39.4**			

Year Ended December 31, 2025

Rank	Supplier	Purchase Amount *(RMB'000)*	% of Total Purchase *(%)*	Credit Terms	Year of Commencement of Business Relationship	Products/Services Supplied
1	Supplier F	787,537.7	12.8	Letter of credit at sight	2023	Lithium concentrate
2	Supplier G	731,733.4	11.9	Seven days after invoice	2022	Lithium concentrate
3	Company D	302,805.3	4.9	Advance payment	2022	Lithium concentrate
4	Supplier H	247,952.0	4.0	Three days after invoice or advance payment	2024	Lithium concentrate
5	Supplier I	196,630.1	3.2	Monthly settlement	2023	Auxiliary materials
Total		**2,266,658.5**	**36.8**			

Notes:

1. Supplier A is an Australia-based subsidiary of a listed company that is principally engaged in the production and processing of spodumene concentrate.
2. Supplier B is a Brazil-based subsidiary of a listed multinational company principally engaged in the production and processing of spodumene concentrate.
3. Supplier C is an Australia-based subsidiary of a listed company principally engaged in lithium mining and processing.
4. Supplier D is a private company based in Guangdong Province principally engaged in the manufacturing and sales of lithium-ion battery materials, such as lithium sulfate.
5. Supplier E is a listed state-owned enterprise based in Yibin, Sichuan Province principally engaged in the manufacturing and sales of chemical raw materials.
6. Supplier F is a Switzerland-based subsidiary of a listed company principally engaged in the commodity trading and mining, including metals and minerals and energy products.
7. Supplier G is a listed company based in Xiamen, Fujian Province principally engaged in trading of lithium resources and materials for the new energy industry.
8. Supplier H is a private company based in Wuxi, Jiangsu Province principally engaged in the trading of lithium-ion battery materials and related products.
9. Supplier I is a private company headquartered in Leshan, Sichuan Province principally engaged in sale of mineral resources and basic and specialty chemicals.

As of the Latest Practicable Date, save for Supplier H, which is our non-controlling associate, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of the Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers. During the Track Record Period and up to the Latest Practicable Date, we did not have any material litigation, dispute or unresolved issue with our suppliers.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, we had several counterparties that were both our customers and suppliers. Due to the nature of the lithium industry, where procurement, processing, conversion and distribution activities are closely interconnected and many market participants operate in more than one segment of the value chain, it is not uncommon for the same counterparty to transact with us on both sides of the supply chain. In addition, industry trading companies may also engage with us both as a supplier and a customer in connection with their trading activities. Our diversified portfolio across three operating segments further expands the range of interactions we have with counterparties in multiple industries. Accordingly, it is not uncommon for certain counterparties to have dual roles as both our customers and our suppliers.

Company A, one of our five largest customers in 2023, 2024 and 2025, was also our supplier in 2024. During the Track Record Period, we sold lithium-ion battery materials and ESD ultra-clean technology products, and provided tolling services to Company A. In 2024, we procured lithium concentrate from it, as it had available spot inventory from its own lithium mining resources, which was offered to us on market-consistent terms in light of our existing business relationship and our established processing capabilities. Given the typically longer procurement lead time for lithium concentrate, such spot availability allowed us to secure timely supply. Revenue generated from Company A amounted to RMB2,539.5 million, RMB1,252.6 million and RMB1,736.0 million in 2023, 2024 and 2025, respectively, accounting for 24.3%, 19.0% and 23.0% of our total revenue in each respective year. Our purchases from Company A in 2024 amounted to RMB30.7 million, accounting for 0.5% of our total purchases that year. We did not make procurements from Company A in 2023 and 2025.

Company D, one of our five largest customers in 2023, was also one of our five largest suppliers in 2024 and 2025. Company D mainly engages in the manufacturing and sales of lithium compound products and operates lithium mines globally. During the Track Record Period, we provided tolling services to the PRC subsidiaries of Company D as their production lines were commissioned and at ramp-up stages, while we procured lithium concentrate from them in 2024 and 2025. Revenue generated from Company D was RMB1,004.9 million, RMB771.0 million and RMB152.9 million in 2023, 2024 and 2025, respectively, accounting for 9.6%, 11.7% and 2.0% of our total revenue in each respective year. Our purchases from Company D amounted to nil, RMB389.8 million and RMB302.8 million in 2023, 2024 and 2025, respectively, accounting for nil, 6.7% and 4.9% of our total purchases in those same years.

Customer C, one of our five largest customers in 2023, was also our supplier in 2023, 2024 and 2025. During the Track Record Period, we provided lithium compound products to them while our medical device business segment procured polypropylene from Customer C's petrochemical business segment. Revenue generated from Customer C was RMB1,168.2 million, RMB203.4 million and RMB78.7 million in 2023, 2024 and 2025, respectively, accounting for 11.2%, 3.1% and 1.0% of our total revenue in each respective year. Our purchases from Customer C amounted to RMB4.6 million, RMB3.4 million and RMB3.0 million in 2023, 2024 and 2025, accounting for 0.1%, 0.1% and 0.0% of our total purchases in those same years.

Customer H, one of our five largest customers in 2025, was also our supplier in 2023, 2024 and 2025. We provided Customer H with our lithium compound products for its production of cathode materials, and we procured cathode precursors from Customer H for the manufacturing of our advanced materials for solid-state batteries, as such cathode precursors require further processing with lithium compounds to produce cathode materials. Revenue from Customer H amounted to RMB485.5 million, RMB140.0 million and RMB627.5 million in 2023, 2024 and 2025, respectively, accounting for 4.6%, 2.1% and 8.3% of our total revenue in each respective year. Our purchases from Customer H amounted to RMB5.9 thousand, RMB22.1 thousand and RMB62.5 thousand in 2023, 2024 and 2025, respectively, accounting for less than 0.1% of our total purchases in each of those same years.

Supplier E, one of our five largest suppliers in 2023, was also our customer in 2025. We procured auxiliary materials from Supplier E during the Track Record Period, and we sold a small amount of lithium compound products to Supplier E for their testing and evaluation uses. Our purchases from Supplier E amounted to RMB166.9 million, RMB177.7 million and RMB171.9 million in 2023, 2024 and 2025, respectively, accounting for 1.9%, 3.1% and 2.8% of our total purchases in each respective year, while our revenue generated from Supplier E in 2025 was only approximately RMB1,600, accounting for less than 0.1% of our total revenue that year. We did not generate revenue from Supplier E in 2023 and 2024.

Additionally, Supplier F, one of our five largest suppliers in 2024 and 2025, was also a customer of us in those two years, while Supplier G, one of our five largest supplier in 2025, was also a customer of ours that year. We procured lithium concentrate from Suppliers F and G as a part of our raw material sourcing, and we sold them our lithium compound products based on their business needs and market demand. Our purchases from Supplier F amounted to RMB100.1 million, RMB318.3 million and RMB787.5 million in 2023, 2024 and 2025, respectively, accounting for 1.1%, 5.5% and 12.8% of our total purchase in each respective year. We generated revenue of nil, RMB1.3 million and RMB16.8 million from Supplier F in 2023, 2024 and 2025, respectively, accounting for nil, 0.0% and 0.2% of our total revenue in each respective year. Our purchases from Supplier G amounted to RMB731.7 million in 2025, accounting for 11.9% of our total purchase that year. Revenue generated from Supplier G was RMB129.3 million in 2025, accounting for 1.7% of our total revenue that year. We did not make purchases or generate revenue from Supplier G in 2023 and 2024.

During the Track Record Period, our negotiations of the terms in the sales and purchase agreements in connection with the overlapping customers and suppliers were conducted on a case-by-case basis and were not inter-conditional with each other. There were no bundled or back-to-back trading arrangements and the key terms among overlapping customers and suppliers did not deviate substantially from those of our other customers and suppliers. The pricing model and credit policy applied to our overlapping customers and suppliers were commensurate with those of our other customers. Our Directors are of the view that these arrangements are within our ordinary course of business and under normal commercial terms, and our Directors confirm that none of the products procured by the Group from each of the relevant suppliers were subsequently sold by the Group to customers within the same overlapping supplier-customer group.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

Our products are generally stored at our production facilities and warehouses prior to delivery. We primarily engage third-party logistics service providers to transport finished products from our production facilities and warehouses to locations specified by our customers. We maintain internal requirements for the transportation and handling of our products, and we periodically evaluate logistics service providers based on factors such as service performance, compliance with our requirements and delivery reliability to help ensure timely and secure delivery. See "Connected Transactions — Partially-Exempted Continuing Connected Transactions — Transactions with Trans-easy and Tembida Logistics Group".

Inventory Management

Our inventories comprised primarily of raw materials, work in progress and finished goods. We generally maintain our inventories at safety stock levels, which are determined based on the demand characteristics and storage requirements of the inventories. For some of our key raw materials, we generally maintain safety stock equivalent to approximately one month of usage. We manage inventory using a tiered classification approach where we group inventory items by importance and set corresponding safety stock levels based on each item's characteristics and its production and delivery cycle, including processing time and transportation lead time. For certain raw materials involving overseas procurement, longer lead times are taken into account when setting safety stock

levels. For spare parts, we apply an internal management mechanism similar to the supplier managed inventory approach, with defined upper and lower inventory thresholds to ensure operational stability while controlling inventory risks. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB1,375.1 million, RMB2,324.2 million and RMB2,287.2 million, respectively. Our inventory turnover days for the same years were 84 days, 129 days and 130 days, respectively. For detailed discussion of our inventory turnover days, see "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Inventories".

Hedging

Lithium compounds prices have experienced fluctuations driven by macroeconomic conditions and cyclical adjustments in industry supply and demand, which have in turn contributed to volatility in our operating profits and overall financial performance. To manage this exposure, in 2025, we started to engage in futures hedging activities to manage the risks arising from price volatility in lithium compounds. Our hedging program is designed to mitigate the adverse impact of such commodity price fluctuations on operating margins, to support the stability of our financial performance, and to enhance our overall risk resilience and competitive position. All hedging activities are conducted on the basis of our normal production and operations.

We may from time to time use a range of derivative instruments, including forwards, futures, and options contracts, to execute our hedging strategy. Transactions are conducted on domestic exchanges, primarily the Guangzhou Futures Exchange. Our hedging program is limited to commodity categories that are directly related to our production and business operations, principally lithium compound products. On March 2, 2026, our Board of Directors approved an increase in the authorized hedging limits: the maximum margin deposit (including the value of collateral, anticipated use of credit facility lines, and margin reserves for contingency measures) was raised from RMB1.0 billion to RMB2.0 billion, and the maximum aggregate contract value held on any single trading day was raised from RMB2.5 billion to RMB5.0 billion. These limits may be utilized on a rolling basis within the approved authorization period, and the transaction amount at any point during the authorization period (including amounts arising from the reinvestment of gains from prior transactions) may not exceed the approved limits. The authorization is effective for a period of twelve months from the date of approval by our Company's extraordinary general meeting of shareholders, provided that if any individual transaction remains outstanding beyond the expiration of the authorization period, the authorization shall automatically extend until the termination of such transaction. All hedging activities are funded exclusively from our own capital and self-raised funds. As of December 31, 2025, the closing balance of our futures hedging position was RMB479.6 million. We do not enter into hedging transactions for speculative purposes. In particular, we require the futures position to match the actual physical inventory being hedged and the duration of the futures contracts to generally align with the timing of the physical commodity transactions or exposures.

To govern these hedging practices, we have adopted a Futures Hedging Business Management Policy, which is periodically reviewed by our internal audit department. This policy sets out requirements relating to, among other things, margin usage, eligible product categories, approval and authorization procedures, internal risk reporting, and risk handling and stop-loss measures. We maintain a dedicated hedging governance structure with defined responsibilities and segregation of duties. A designated working group formulates hedging plans, approves hedging transactions, monitors risk, reports to senior management and the Board of Directors, and maintains hedging records and accounts. Hedging transactions may only be executed by personnel with written authorization specifying permitted traders, transaction scope and position limits. Our annual hedging volume may not exceed our annual physical trading volume. We generally require hedging positions to correspond to the relevant physical inventory or exposure and for contract tenors to align with the timing of the underlying physical transactions. The working group calculates and settles profit and loss monthly and provides periodic internal reports on positions, margin usage and profit and loss. If adverse price movements result in cumulative confirmed gains or losses plus floating losses reaching 10% of our most recently audited net profit attributable to shareholders and

exceeding RMB10 million in absolute amount, we shall promptly disclose such information as required by the applicable regulations. See also, "Risk Factors — Risks Relating to our Business and Industry — We may be exposed to risks from our hedging activities in relation to the commodity prices of our lithium compound products."

In addition, we have further integrated our spot and futures market operations to enhance our hedging capabilities. On December 22, 2025, the Guangzhou Futures Exchange approved Sichuan Tianhua as a designated delivery warehouse for lithium carbonate futures. This designation confirms that our lithium carbonate products meet the Guangzhou Futures Exchange's delivery-grade specifications and enables us to deliver our own production directly into the futures market without relying on third-party warehousing facilities or quality inspection. As a result, we are able to reduce relevant costs associated with futures delivery and better allocate inventory between spot sales and futures delivery in response to market conditions.

QUALITY CONTROL

We are committed to upholding the highest standards of quality across our products and solutions, recognizing that robust quality management is essential to our reputation and long-term competitiveness. To this end, we have established a comprehensive quality management system that provides the organizational framework and operational standards for the continuous improvement of our products, processes and customer service.

Our quality control team is involved throughout our production operations, overseeing quality management across the entire production process, from incoming material quality to in-process production quality and finished product quality. Our quality control measures include:

- ***New Energy Lithium-ion Battery Materials.*** We maintain quality management systems in accordance with relevant ISO and IATF standards, covering the entire product lifecycle from raw material procurement to after-sales services, and have obtained relevant third-party certifications. Our quality management systems have also passed audits conducted by all our leading downstream battery and automobile customers. We promote quality culture through initiatives such as "quality month" campaigns, quality control circle (QCC) activities and Six Sigma programs. We also use digital quality management tools, including manufacturing execution system (MES) and laboratory information management system (LIMS) platforms, together with foreign matter control, risk prevention and exception management mechanisms, to support product quality and operational stability.

- ***ESD Ultra-Clean Technology Products.*** We have established quality control systems in accordance with ISO 9001, ISO 14001 and ISO 45001 standards. For die-cutting products, we have also implemented a quality control system in accordance with IATF 16949.

- ***Medical Device.*** We have established a comprehensive quality control system covering supplier qualification, raw material inspection, production process control and finished product testing. Our quality control system includes batch-based product inspection, full-process traceability mechanism and regular internal audits to ensure compliance with regulatory and quality standards.

During the Track Record Period and as of the Latest Practicable Date, our Directors confirmed that they were not aware of any incident of failure in our quality control systems which had a material impact on us.

INTELLECTUAL PROPERTY RIGHTS

As of December 31, 2025, we had 476 granted patents, including 66 invention related patents, as well as 74 trademarks both in China and overseas. We also own 16 software copyrights and 47 domain names as of December 31, 2025. In addition, we had 172 patent applications. For details of our material intellectual property rights, see "Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights."

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with external consultants. We enter into standard employment contracts, confidentiality and non-compete agreements with key employees in accordance with market practice. However, these agreements may not provide sufficient protection of our trade secret and/or confidential information, and may be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach.

During the Track Record Period and as of the Latest Practicable Date, our Directors confirmed that they were not aware of any material violation or infringement of any intellectual property rights owned by us or by any third parties, or any threatened material proceedings or claims relating to intellectual property rights against us. However, despite our best efforts, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights or that we will not be sued for intellectual property infringement. See "Risk Factors — Risks Relating to Our Business — We may be unable to adequately protect or enforce our intellectual property rights, and may be subject to intellectual property infringement claims, which could materially and adversely affect our business and competitive position."

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.

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.

EMPLOYEES

As of December 31, 2025, we had a total number of 3,959 full-time employees, substantially all of whom were based in the Chinese Mainland. The following table sets forth the number of our full-time employees by function as of December 31, 2025:

Function	Number of Employees	Percentage
		(%)
Production	2,211	55.8
Sales and Marketing	111	2.8
Technical	887	22.4
Finance	62	1.6
General Administration	377	9.5
Other	311	7.9
Total	**3,959**	**100.0**

We adopt high standards and rigorous procedures in our recruitment process to ensure the quality of new hires. We provide dedicated training programs for our employees, focusing on three key areas: cultural integration, professional development and management advancement. We offer performance-based cash bonuses and other incentives to our employees. In addition, we have adopted share-based incentive plans for eligible employees to further align individual performance with the Company's long-term success. Our compensation and benefits packages are designed to attract and retain top talent in a highly competitive labor market.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material labor disputes, work stoppages, or significant difficulties in recruiting or retaining staff for our operations.

INSURANCE

We believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities, including but not limited to property all risks insurance, liability insurance, cargo transportation insurance, and employee-related insurance. During the Track Record Period, we did not make any material insurance claim in relation to our business. For details, see "Risk Factors — Risks Related to Our Business and Industry — We may not have sufficient insurance coverage to cover all potential liability or losses, and any uninsured or underinsured claims could result in substantial costs and diversion of resources."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We attach great importance to environment, social and governance (ESG) matters and view them as key elements for driving sustainable business operations and creating long-term value.

ESG Governance

We have established a comprehensive ESG governance structure led by our Board of Directors, which holds ultimate oversight and decision-making authority. Our executive management team is responsible for coordinating strategic execution and resource allocation, supported by a dedicated

corporate sustainability committee that drives day-to-day ESG initiatives. The chairman of the Board leads this group, while our vice chairman acts as the convener. This committee formulates strategic guidelines, establishes management standards, assesses risks, and oversees the implementation of response strategies. We also established an ESG sustainability department supervised by the committee, and supported by our business divisions executing the relevant action plans and targets, to integrate sustainability into our daily operations.

ESG Materiality Topics

ESG materiality topics are central to our approach to sustainable development. We regularly benchmark against industry peers and analyze relevant policies, trends, and market dynamics to identify material topics aligned with our operations. We also engage a broad range of internal and external stakeholders to inform our annual materiality assessment. The key topics identified through this process include product quality and safety, customer service management, innovation-driven development, supply chain security, climate change response, and energy consumption and efficiency. Going forward, we will progressively advance climate action and low-carbon transformation initiatives in alignment with our operational realities, guided by China's national strategy of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

ESG Risk Management

We integrate ESG risk management throughout our daily operations. Using the United Nations Sustainable Development Goals as a core reference, and taking into account our industry's specific characteristics, we focus on 10 topic areas including climate change, health and well-being, quality education, clean water and sanitation, and industry innovation and infrastructure. We systematically identify risks and opportunities across our operations and pursue solutions that balance cost efficiency with sustainable development. We also embed sustainable development principles into our corporate culture at every level. Through cross-departmental collaboration and ongoing awareness initiatives, we strengthen compliance awareness across the organization, ensuring that all employees understand and adhere to ESG-related laws and requirements and that sustainable development principles translate into meaningful action.

Environment

Climate Change

We have established a top-down climate change governance structure. Our executive management team is responsible for approving climate change-related strategies, and overseeing the implementation of related measures. Each business division sets strategic objectives tailored to its operations and advances carbon emission management, while each subsidiary is responsible for executing specific carbon reduction measures.

We maintain an internal product carbon footprint tracking and management mechanism with regular data monitoring and assessment. Tianyi Lithium Industry has conducted carbon inventories and lithium hydroxide carbon footprint accounting for five consecutive years. Sichuan Tianhua completed lithium carbonate carbon footprint accounting in accordance with International Lithium Association (ILiA) guidelines and successfully obtained the ILiA Product Carbon Footprint Stamp.

The following table sets forth the breakdown of our Scope 1 and Scope 2 GHG emissions for the years indicated:

	Year ended December 31,		
	2023	2024	2025
GHG Emissions[(1)]			
Total (Scope 1, 2) GHG emissions (t-CO_2e)	318,816.2	483,237.3	526,278.7
Total (Scope 1, 2) GHG emissions intensity (t-CO_2e/RMB million in revenue)	30.5	73.1	69.7
Scope 1 GHG emissions (t-CO_2e)	83,052.5	277,098.7	287,237.4
Scope 2 GHG emissions (t-CO_2e)	235,763.7	206,138.7	239,041.3

Note:

(1) Scope 1 covers GHG emissions directly produced by business owned or controlled by us, while Scope 2 covers GHG emissions of indirect energy resulted from purchased electricity consumed by our operations.

Waste Management

We have established internal management systems for the management of various waste matters, which supports ongoing compliance with national and local regulatory limits. Specifically:

- **Wastewater Management:** Production wastewater is treated through zero discharge, compliant pipeline discharge, or recycling and reuse according to process characteristics. Domestic sewage is pretreated on site before centralized treatment at the relevant industrial park's wastewater treatment plant. We maintain annual environmental monitoring plans covering indicators such as chemical oxygen demand (COD) and ammonia nitrogen.
- **Exhaust Gas Management:** All of our production bases are equipped with dust removal, adsorption, and other treatment facilities to enable emissions compliance. We have also established an online exhaust gas monitoring system linked to government environmental protection authorities, enabling real-time emission risk management.
- **Solid Waste Management:** We standardize the classification, collection, storage, and disposal of all solid waste. General and hazardous solid waste are subject to classified management, with qualified third-party entities engaged for harmless treatment or resource-based utilization in compliance with applicable regulations.

The following table sets forth certain indicators of our waste discharge for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Wastewater			
Total water discharge (m^3)	312,862.4	771,531.0	643,726.6
Exhaust Gas			
Particulate matter (kg)	1,646.8	2,372.0	1,921.6

Environmental Stewardship and Resource Management

We have established an environmental governance management system, and all main production bases have passed ISO 14001 Environmental Management System certification. Tianyi Lithium Industry was certified as a "National Green Factory" in 2025. All subsidiaries are located

on industrial-use land and do not involve any protected areas, prohibited development zones, or ecological red line areas. We have also incorporated packaging material recycling into our operations, reusing incoming pallets for finished product shipment after cleaning and repair.

For water resource management, we utilize the World Resources Institute (WRI) Aqueduct water risk analysis tool to assess risks such as water scarcity, floods, and water quality across our subsidiaries, supported by a mechanism for risk grading, measure adaptation, and dynamic monitoring. We recover condensed water and leaching residue return water from production systems for compliant treatment and reuse, coordinate municipal water supply to optimize consumption, and at some production bases collect and reuse rainwater.

For energy management, we set annual energy-saving targets with specific consumption indicators for production processes. As of December 31, 2025, Tianyi Lithium Industry, Sichuan Tianhua, Fengxin Shidai, and Yushou Medical have passed ISO 50001:2018 Energy Management System certification. We pursue efficiency improvements through renewable energy substitution (green electricity procurement and distributed photovoltaic expansion), upgrades to high-energy-consuming equipment, development of low-energy-consumption processes with waste heat and waste pressure recovery, and data-driven scheduling via energy management platforms.

Responsible Supply Chain and Mineral Management

We integrate sustainable development principles into supply chain management through systems such as our supplier management control procedures, covering supplier development, control, and assessment. To enhance supply stability, we maintain a diversified supplier layout with backup suppliers, collaborative inventory, and safety stock mechanisms for critical materials. We have also established responsible mineral due diligence policies and procedures with reference to applicable PRC, EU, and UK regulatory requirements, designed to help ensure that mineral resources used in our products and upstream supply chain do not originate from conflict-affected areas. As of December 31, 2025, Sichuan Tianhua have obtained Responsible Minerals Initiative (RMI) Responsible Minerals Assurance Process (RMAP) certification, and is listed on the RMAP Conformant Smelter/Refiner List. We support supplier capability building through guidance, regular training, and encouragement to participate in third-party compliance reviews.

Social

We are committed to fostering a responsible, people-oriented workplace and contributing positively to the communities in which we operate. Key areas of focus include:

- **Product quality and customer service.** We conduct quality control at each stage of the product lifecycle, from raw material selection through production to finished product inspection, using MES/LIMS systems for real-time monitoring and data analysis. We have established non-conforming product control procedures and adverse event reporting and recall control procedures to manage product abnormalities. We maintain a full-process customer service management system covering pre-sales, in-sales, and after-sales, governed by internal standards including our customer satisfaction management system and customer complaint control procedures.

- **Employee rights and well-being.** We uphold diversity and gender equality. Beyond statutory social insurance and housing fund contributions, we provide supplementary benefits and other welfare support to our employees, and regularly organize team-building activities to foster a positive workplace culture. We conduct regular employee satisfaction surveys to gather feedback and drive management improvements. We offer multi-channel career development paths across management, professional, and operational categories, supported by a training system covering leadership, general competencies, and professional skills.

- **Occupational health and safety.** We have formulated an occupational health and safety management system and a hazard investigation and remediation system. Our main subsidiaries have obtained ISO 45001 certification, with certain of them having deployed smart safety and environmental systems for digital supervision. We conduct regular safety training, distribute labor protection supplies, organize emergency drills, and identify risk sources, with safety measures incorporated into performance assessments.
- **Community engagement.** We invest in education, public welfare, livelihood protection, and community care, and encourage employee participation in community and public welfare activities. We remain committed to creating long-term, positive social impact in the regions where we operate.

Corporate Governance

We maintain zero tolerance toward all forms of bribery and corruption. Our Audit Committee regularly conducts ethics and compliance audits. We maintain accessible reporting channels, including a dedicated email address, supporting both named and anonymous reporting. Whistleblower protection mechanisms prohibit retaliation, and all reported matters are independently investigated.

PROPERTIES

Our headquarter is located in Suzhou, China. As of December 31, 2025, our Company and Major Subsidiaries together had 42 properties with an aggregate GFA of approximately 468,279 square meters. Our properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used for office, research and development, and production operation purposes.

As of the Latest Practicable Date, none of the properties owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and as of the Latest Practicable Date, we had obtained all licenses, permits, approvals, filings and certifications that are material to our operations. The following table sets forth a summary of the key licenses, permits and registrations currently held by us, which are material to our business taken as a whole:

License/Permit	Issuing Authority	Holder	Expiration Date
Class I Medical Device Production Filing Certificate (第一類醫療器械生產備案憑證)	Wuxi Administrative Approval Bureau	Yushou Medical	—
Class II Medical Device Business Filing Certificate (第二類醫療器械經營備案憑證)	Wuxi Administrative Approval Bureau	Yushou Medical	—

License/Permit	Issuing Authority	Holder	Expiration Date
Consignee/Consignor of Import & Export Goods (進出口貨物收發貨人)	Customs of relevant administrative regions	Fengxin Shidai Imaging Technology Jiangsu Yili Our Company Sichuan Tianhua Suzhou Tianhua Ultra Clean Tianyi Lithium Industry Yushou Medical	—
Exploration License (採礦權證)	Ministry of Natural Resources	Sichuan Tianhua	March 10, 2030
Filing Certificate for Internet Drug and Medical Device Information Services (互聯網藥品醫療器械信息服務備案憑證)	Jiangsu Provincial Medical Products Administration	Yushou Medical	—
Hazardous Chemicals Registration Certificate (危險化學品登記證)	Hazardous Chemicals Registration Center of relevant administrative regions	Sichuan Tianhua Tianyi Lithium Industry	February 22, 2029 October 25, 2026
Medical Device Business License (醫療器械經營許可證)	Wuxi Administrative Approval Bureau	Yushou Medical	August 31, 2026
Medical Device Production License (醫療器械生產許可證)	Jiangsu Provincial Medical Products Administration	Imaging Technology Yushou Medical	December 23, 2030 September 28, 2030
Mining License (採礦許可證)	Yichun Municipal Bureau of Natural Resources	Shengyuan Lithium Industry	March 6, 2048
National Industrial Products Production License (全國工業產品生產許可證)	Administration for Market Regulation of relevant administrative regions	Sichuan Tianhua Tianyi Lithium Industry	May 14, 2028 December 16, 2030

License/Permit	Issuing Authority	Holder	Expiration Date
Pollutant Discharge Permit (排污許可證)	Bureau of Ecology and Environment of relevant administrative regions	Fengxin Shidai Jiangsu Yili Sichuan Tianhua Tianyi Lithium Industry	August 14, 2030 April 18, 2029 May 12, 2030 July 15, 2030
Pollutant Discharge Registration Receipt for Stationary Pollution Sources (固定污染源排污登記回執)	Ministry of Ecology and Environment	Our Company Suzhou Emit Suzhou Tianhua Ultra Clean Wuxi Tianhua Yushou Medical	November 6, 2030 December 24, 2028 March 3, 2029 August 6, 2028 —
Work Safety License (安全生產許可證)	Emergency Management Bureau of relevant administrative regions	Sichuan Tianhua Tianyi Lithium Industry	May 24, 2026 December 14, 2026

During the Track Record Period, we had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates. To the best knowledge of our Directors, we currently do not expect to encounter any material difficulty in renewing them when they expire, if applicable, and no material unexpected or adverse changes have occurred since the date of their respective issuance.

LEGAL PROCEEDING AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. See "Risk Factors — Risks Relating to Our Business and Industry — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business."

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations in all material respects.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We have established and maintained risk management and internal control systems comprising policies and procedures that we consider appropriate for our business operations, and we are committed to continuously reviewing and improving these systems. Our Board oversees our overall risk management and internal control systems, including financial reporting procedures. Our senior management and relevant functional departments, including finance, legal and human resources, are responsible for the day-to-day implementation, assessment and monitoring of our risk management framework and responses across subsidiaries and functional departments. We also maintain policies and training programs to support compliance with applicable laws and regulations.

Internal Control

Our Board is responsible for establishing and overseeing our internal control system and evaluating its effectiveness. Our Directors, who are responsible for overseeing the corporate governance of our Group, with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations following the [REDACTED]. We have also established an audit committee, which will (i) recommend the appointment and removal of external auditors to our Directors; and (ii) review the financial statements and provide advice on financial reporting, and oversee the internal control procedures of our Group.

AWARDS AND RECOGNITION

We received various awards, honors and recognitions for our business and products, among which our significant awards and recognitions include:

Award/Recognition	Award Year	Awarding Institution/Authority
Excellence Award at the Final of the MIIT Energy Electronics Industry Innovation Competition	2025	Ministry of Industry and Information Technology (MIIT)
Third Prize, Final of the Energy Electronic Industry Innovation Competition	2025	MIIT
Major Science and Technology Special Project of Jiangsu Province	2024	Department of Science and Technology of Jiangsu Province
Top 100 Manufacturing Enterprises in Jiangsu Province	2024	Jiangsu Enterprise Confederation
China's Top 500 Private Manufacturing Enterprises	2023	All-China Federation of Industry and Commerce