1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

Our Company, then known as Shenzhen Green Eco-manufacture Environmental Materials Co., Ltd. (深圳市格林美環境材料有限公司), was established as a limited liability company under the laws of the PRC on December 28, 2001, and was converted into a joint stock company with limited liability in December 2006, when we also changed our name to "格林美股份有限公司". Our registered office is located at 4301, Xingtong Building, No. 88, Baoxing Road, Bao'an District, Shenzhen, Guangdong Province, PRC.

We completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002340) in January 2010. For further details of the listing of our A Shares, see "History, Development and Corporate Structure — Major Shareholding Changes of Our Company — Listing on the Shenzhen Stock Exchange" in this Document.

We have applied for registration as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance, under the Chinese corporate name of 格林美股份有限公司 and business name "Gelinmei" for carrying on business in Hong Kong on September 16, 2025. Our principal place of business in Hong Kong is at 46/F, Hopewell Center 183 Queen's Road East Wanchai Hong Kong. Mr. Ng Tung Ching Raphael (吳東澄) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendix IV and Appendix V to this document, respectively.

B. Changes in Share Capital of our Company

Save as disclosed below, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

On June 20, 2024, the Company's registered share capital was decreased from RMB5,135,586,557 to RMB5,131,291,557.

On December 2, 2024, the Company's registered share capital was decreased from RMB5,131,291,557 to RMB5,126,291,557 as a result of the cancelation of 5 million treasury Shares.

On June 19, 2025, the Company's registered share capital was decreased from RMB5,126,291,557 to RMB5,124,299,057 as a result of the cancelation of a portion of the repurchased restricted shares pursuant to the terms of the 2022 restricted share incentive scheme of the Company as adopted on July 18, 2022 (the "2022 Restricted Share Incentive Scheme").

On November 7, 2025, the Company's registered share capital was decreased from RMB5,124,299,057 to RMB5,115,548,607 as a result of the cancelation of a portion of the repurchased restricted shares pursuant to the terms of the 2022 Restricted Share Incentive Scheme.

On January 20, 2026, the Company's registered share capital was decreased from RMB5,115,548,607 to RMB5,103,333,507 as a result of the cancelation of a portion of the repurchased shares.

C. Further Information about Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this document.

Save as disclosed below, no alteration in the registered capital of our major subsidiaries has taken place within the two years preceding the date of this document:

The registered share capital of PT Meiming New Energy Material was increased from 57,203,656,266 rupees to 2,340,150,000,000 rupees on November 11, 2024.

On January 31, 2025, the registered share capital of PT. Indonesia Qingmei Energy Materials was increased from 15,946,000,000 rupees to 1,585,022,832,400 rupees.

D. Resolutions Passed by Our Shareholders' General Meeting of Our Company in Relation to the [REDACTED]

Pursuant to the shareholders' general meeting held on September 11, 2025, the following resolutions, among others, were duly passed:

(a) the [**REDACTED**] by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**] and granting the [**REDACTED**] the [**REDACTED**] of no more than [**REDACTED**]% of the above number of H Shares to be [**REDACTED**];

(c) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on [**REDACTED**]; and

(d) authorization of the Board and its authorized person to handle relevant matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years preceding the date of this document that are or may be material:

(a) [**REDACTED**];

B. Our Material Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registration No.	Registered Owner	Class	Expiry Date (dd/mm/yyyy)
1 . . .	GEM 格 林 美	PRC	4875882	The Company	1	20/11/2029
2 . . .	GEM 格 林 美	PRC	4875890	The Company	40	20/09/2029
3 . . .	格林美	PRC	7531506	The Company	1	27/10/2030
4 . . .	格林美	PRC	7552849	The Company	6	6/11/2030
5 . . .	格林美	PRC	7896198	The Company	1	20/01/2031
6 . . .	格林美	PRC	7896266	The Company	2	20/01/2031
7 . . .	格林美	PRC	7896344	The Company	6	6/2/2031
8 . . .	格林美	PRC	7896505	The Company	14	13/02/2031

No.	Trademark	Place of registration	Registration No.	Registered Owner	Class	Expiry Date (dd/mm/yyyy)
9. . .	格林美	PRC	7896600	The Company	17	27/12/2030
10 . .	格林美	PRC	7896662	The Company	20	6/6/2031
11 . .	GEM	PRC	8341823	The Company	1	20/11/2033
12 . .	GEM 格林美	PRC	32867645	The Company	40	27/08/2029
13 . .	GEM	PRC	46118218	The Company	1	6/9/2031
14 . .	GEM 格林美 资源有限 循环无限	PRC	46108329	The Company	40	20/04/2031
15 . .	GEM 格林美 资源有限 循环无限 Recycling for future!	PRC	46114607	The Company	40	13/04/2031
16 . .	GEM 格林美	PRC	46115076	The Company	6	20/01/2032
17 . .	GEM 格林美	PRC	46097037	The Company	40	13/05/2031
18 . .	GEM 格林美	PRC	46102404	The Company	1	27/01/2032
19 . .	GEM 格林美	PRC	46122957	The Company	40	20/04/2031
20 . .	GEM 格林美	PRC	52910928	The Company	6	13/04/2032
21 . .	GEM 格林美	PRC	53176524	The Company	1	27/10/2032
22 . .	GEM 格林美	PRC	59597564	The Company	1	20/11/2032
23 . .	GEM Recycling for future!	PRC	63860388	The Company	1	20/10/2033
24 . .	GEM 格林美 资源有限 循环无限 Recycling for future!	PRC	63857489	The Company	1	20/10/2033
25 . .	GEM 格林美 资源有限 循环无限	PRC	63853395	The Company	1	20/10/2033
26 . .	GEM 格林美	PRC	63853376	The Company	1	20/10/2033
27 . .	GEM	PRC	63850700	The Company	1	20/10/2033
28 . .	GEM 格林美	PRC	63848882	The Company	1	6/10/2033
29 . .	格林美 绿源钴	PRC	79039122	The Company	1	6/2/2035
30 . .	GER Recycling for future!	PRC	72996292	Jiangxi GEM Resources Recycling Co., Ltd.	20	20/2/2034
31 . .	GER	PRC	73002943	Jiangxi GEM Resources Recycling Co., Ltd.	20	20/2/2034
32 . .	GER 格林循环 资源有限 循环无限 Recycling for future!	PRC	52418325	Jiangxi GEM Resources Recycling Co., Ltd.	14	20/8/2031

No.	Trademark	Place of registration	Registration No.	Registered Owner	Class	Expiry Date (dd/mm/yyyy)
33 . .	GEM 格林循环 资源有限 循环无限	PRC	52432823	Jiangxi GEM Resources Recycling Co., Ltd.	14	27/8/2031
34 . .	GEM 格林循环	PRC	52393493	Jiangxi GEM Resources Recycling Co., Ltd.	14	20/8/2031
35 . .	GEM 格林循环	PRC	52403419	Jiangxi GEM Resources Recycling Co., Ltd.	14	27/8/2031
36 . .	GEM Recycling for future!	PRC	52430716	Jiangxi GEM Resources Recycling Co., Ltd.	14	27/8/2031
37 . .	GEM	PRC	52432812	Jiangxi GEM Resources Recycling Co., Ltd.	14	27/8/2031
38 . .	GEM 格林循环 资源有限 循环无限 Recycling for future!	PRC	59565399	Jiangxi GEM Resources Recycling Co., Ltd.	17	27/3/2033
39 . .	GEM 格林循环 资源有限 循环无限 Recycling for future!	PRC	52399139	Jiangxi GEM Resources Recycling Co., Ltd.	17	6/10/2032
40 . .	GEM 格林循环	PRC	59564222	Jiangxi GEM Resources Recycling Co., Ltd.	17	13/1/2033
41 . .	GEM 格林循环	PRC	52433068	Jiangxi GEM Resources Recycling Co., Ltd.	17	13/10/2032
42 . .	GEM Recycling for future!	PRC	59592308	Jiangxi GEM Resources Recycling Co., Ltd.	17	27/3/2033
43 . .	GEM	PRC	52410579	Jiangxi GEM Resources Recycling Co., Ltd.	40	27/8/2031
44 . .	KLK	PRC	5953649	GEM (Jiangsu) Cobalt Industry Co., Ltd.	6	6/11/2029
45 . .	凯力克	PRC	5953648	GEM (Jiangsu) Cobalt Industry Co., Ltd.	6	6/11/2029
46 . .		PRC	63932655	Wuhan Power Battery Recycling Technology Co., Ltd.	40	20/10/2033
47 . .		PRC	66025751	Wuhan Power Battery Recycling Technology Co., Ltd.	9	27/10/2033
48 . .		PRC	66465503	Wuhan Power Battery Recycling Technology Co., Ltd.	40	27/10/2033
49 . .		PRC	68351103	Wuhan Power Battery Recycling Technology Co., Ltd.	9	20/10/2033
50 . .		PRC	81192792	Wuhan Power Battery Recycling Technology Co., Ltd.	1	6/4/2035

(b) Copyright

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Copyright Type	Registered Owner	Registration number	Date of Completion (dd/mm/yyyy)	Date of First Publication (dd/mm/yyyy)
1 . .	Green Recycling Logo (Series)	Art	The Company	National Copyright Registration No. 2024-F-00157322	28/04/2024	–
2 . .	Green Number Logo (Series)	Art	The Company	National Copyright Registration No. 2024-F-00157320	29/04/2024	–
3 . .	Green Recycling Logo (Series)	Art	The Company	National Copyright Registration No. 2024-F-00206944	07/06/2024	–
4 . .	Liangxin Recycling Logo (Series)	Art	The Company	National Copyright Registration No. 2024-F-00206945	07/06/2024	–
5 . .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115058	10/12/2019	–
6 . .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115057	10/12/2019	–
7 . .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115056	10/12/2019	–
8 . .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115055	10/12/2019	–
9 . .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115054	10/12/2019	–
10 .	GEM Logo	Art	The Company	National Copyright Registration No. 2020-F-01115053	10/12/2019	–
11 . .	Mining Urban Mines, Creating a World-Class Recycling Factory	Literary Work	The Company	2011-A-038367	25/10/2010	–
12 .	Mining Urban Mine Resources, Creating a World-Class Recycling Factory	Literary Work	The Company	2011-A-038366	25/10/2010	–
13 .	Limited Resources, Unlimited Recycling	Literary Work	The Company	2011-A-034497	28/02/2003	28/04/2003
14 .	Limited Resources, Unlimited Recycling	Literary Work	The Company	2011-A-034496	28/02/2003	28/04/2003
15 .	GEM Logo	Art	The Company	2010-F-029942	28/02/2003	28/04/2003
16 . .	Power Recycling Logo	Art	Wuhan Power Battery Recycling Technology Co., Ltd.	National Copyright Registration No. 2022-F-10124121	24/03/2022	12/04/2022
17 . .	Power Recycling Logo	Art	Wuhan Power Battery Recycling Technology Co., Ltd.	National Copyright Registration No. 2023-F-00225632	24/03/2022	12/04/2022
18 . .	Power Recycling Logo	Art	Wuhan Power Battery Recycling Technology Co., Ltd.	National Copyright Registration No. 2023-F-00225633	24/03/2022	12/04/2022

(c) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Owner	Patent No.	Application Date (dd/mm/yyyy)	Authorization Date (dd/mm/yyyy)	Remarks
1.	Recycling Process and System for Automotive and Electronic Waste	The Company	200510101384.7	17/11/2005	2009/12/16	2012 Sixth Shenzhen Patent Award
2.	Recycling Process for Metals from Automotive and Electronic Waste	The Company	200510101387.0	17/11/2005	2009/9/16	2011 Thirteenth China Patent Excellence Award, 2010 Fourth Shenzhen Patent Award
3.	Manufacturing Method and Equipment for Ultrafine Cobalt Powder by Recycling Technology	Jingmen GEM Co., Ltd.	200510127614.7	06/12/2005	2009/5/6	2010 Twelfth China Patent Excellence Award
4.	Battery Waste Sorting and Dismantling Process and System	The Company	200610061204.1	15/06/2006	2008/6/4	2010 Twelfth China Patent Excellence Award, 2008 Second Shenzhen Patent Excellence Award
5.	Environmentally Friendly Production Process and System for Nickel/Cobalt/Iron Alloy	Jingmen GEM Co., Ltd.	200710123964.5	19/10/2007	2010/6/16	2012 Fourteenth China Patent Excellence Award
6.	Synthesis Method for Low-oxygen Ultrafine Cobalt Powder	Jingmen GEM Co., Ltd.	201310705905.4	19/12/2013	2017/7/25	2020 22nd China Patent Excellence Award, 2019 First Hubei Province High-value Patent Competition Gold Award
7.	Preparation Method of Battery-grade Cobalt Hydroxide	Jingmen GEM Co., Ltd. and the Company	201410524057.1	30/09/2014	2017/5/17	2019 Hubei Patent Gold Award
8.	Method for Rapid Synthesis of Ternary Lithium Battery Cathode Material Precursor Using Double Reactors	Jingmen GEM Co., Ltd.	201710632163.5	28/07/2017	2019/12/10	2022 Third Hubei Province High-value Patent Competition Gold Award
9.	Semi-continuous Preparation Method for Spherical Cobalt Carbonate	Jingmen GEM Co., Ltd.	201810095125.5	31/01/2018	2020/7/7	2021 Second Hubei Province High-value Patent Competition Gold Award
10.	Method for Treating Waste Printed Circuit Boards	Jiangxi GEM Resources Recycling Co., Ltd.	201110102410.3	26/04/2011	2012/10/10	2014 Sixteenth China Patent "Excellence Award"
11.	Preparation Method for Large Particle Size Aluminium-doped Cobalt Tetroxide	Jingmen GEM Co., Ltd.	201810455841.X	14/05/2018	2021/9/24	2023 First Central Six Provinces High-value Patent Competition Third Prize
12.	Double-layer Structure Precursor and Cathode Material for Lithium-ion Batteries, and Preparation Method	Jingmen GEM Co., Ltd.	202011540292.X	23/12/2020	1/11/2022	2024 Twenty-fifth China Patent Excellence Award

As of the Latest Practicable Date, we owned the following software which we consider to be or may be material to our business:

No.	Software Name	Software Owner	Registration Number
1 . .	Power Battery Capacity Rapid Prediction System V1.0	Wuhan Power Battery Recycling Technology Co., Ltd.	2023SR0920306
2 . .	High Compatibility Retired Battery Intelligent Rapid Sorting System V1.0	Wuhan Power Battery Recycling Technology Co., Ltd.	2023SR1184151
3 . .	Power Battery Recycling System V1.0	Wuhan Power Battery Recycling Technology Co., Ltd.	2024SR1237046

(e) Domain names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Owner	ICP Filing/ Permit Number	Approval Date (dd/mm/yyyy)
1 . .	113.105.66.1	The Company	Yue ICP No. 05063494-7	09/10/2021
2 . .	gemchina.com.cn	The Company	Yue ICP No. 05063494-1	12/09/2019
3 . .	gemchina.com	The Company	Yue ICP No. 05063494-1	12/09/2019
4 . .	cerc.cc	The Company	Yue ICP No. 05063494-2	23/08/2021
5 . .	gemchina.cn	The Company	Yue ICP No. 05063494-1	12/09/2019
6 . .	gem.com.cn	The Company	Yue ICP No. 05063494-3	12/09/2019
7 . .	113.105.66.26	The Company	Yue ICP No. 05063494-6	09/10/2021
8 . .	ger.com.cn	Jiangxi GEM Resources Recycling Co., Ltd.	Gan ICP No. 2020014411-1	14/12/2020
9 . .	tx-gem.com.cn	GEM (Jiangsu) Cobalt Industry Co., Ltd.	Su ICP No. 2024142302-1	13/11/2024
10. .	58.222.243.115	GEM (Jiangsu) Cobalt Industry Co., Ltd.	Su ICP No. 2024142302-3	21/11/2025
11. .	rbattery.net	Wuhan Power Battery Recycling Technology Co., Ltd.	E-ICP No. 2023005345-1	17/3/2026

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Service Contracts and Appointment Letters

We [have entered] into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

B. Remuneration of Directors

The aggregate remuneration (including fees, salaries, wages, share-based compensation, contributions to pension plans, benefits-in-kind and discretionary bonuses) for our Directors and Supervisors for the years ended December 31, 2023, 2024 and 2025 were approximately RMB15.58 million, RMB18.85 million and RMB21.44 million, respectively.

Based on the current arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration for our Directors (including independent non-executive Directors) for the year ending December 31, 2026 will be approximately RMB18.7 million. The actual total remuneration of Directors for the year ending December 31, 2026 may be different from the expected remuneration as the discretionary bonuses will be determined based on the results of our Company for the year ending December 31, 2026.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025 by any member of our Group to any of our Directors.

C. Disclosure of interests

Save as disclosed below, immediately following the completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are [**REDACTED**] on the Hong Kong Stock Exchange.

(i) Interest in Shares in our Company

Name	Position	Shares to be held after the [REDACTED]	Nature of interest	Number of Shares	Approximate % interest in Shares of our Company immediately after the [REDACTED]
Mr. Xu Kaihua (許開華). . . .	Chairman of the Board, executive Director and general manager	A Shares	Beneficial owner	6,805,380	[REDACTED]
			Interest in controlled corporation; interest of spouse(2)	432,840,263	[REDACTED]
			Interest in controlled corporation; interest of spouse(3)	9,267,106	[REDACTED]
			Interest of spouse	13,383,555	[REDACTED]
Ms. Wang Min (王敏)	Executive Director	A Shares	Beneficial owner	13,383,555	[REDACTED]
			Interest in controlled corporation; interest of spouse(2)	432,840,263	[REDACTED]
			Interest in controlled corporation; interest of spouse(3)	9,267,106	[REDACTED]
			Interest of spouse	6,805,380	[REDACTED]
Mr. Zhou Bo (周波)	Executive Director and executive vice general manager	A Shares	Beneficial owner	1,614,000	[REDACTED]
Mr. Pan Hua (潘驊)	Executive Director, senior vice general manager and board secretary	A Shares	Beneficial owner	565,600	[REDACTED]

(1) The calculation is based on the assumption that the [**REDACTED**] is not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

(2) As of the Latest Practicable Date, Shenzhen Huifengyuan Investment Co., Ltd. (深圳市滙豐源投資有限公司) ("**Shenzhen Huifengyuan**" was held by Mr. Xu and Ms. Wang, who are spouses, as to 60% and 40%, respectively. Therefore, under the SFO, Mr. Xu and Ms. Wang are deemed to be interested in all the A Shares held by each other and Shenzhen Huifengyuan.

(3) As of the Latest Practicable Date, Fengcheng Xinyuanxing New Materials Co., (豐城市鑫源興新材料有限公司) ("**Fengcheng Xinyuanxing**" was held by Mr. Xu and Ms. Wang, who are spouses, as to 31.46% and 1.92%, respectively. Therefore, under the SFO, Mr. Xu and Ms. Wang are deemed to be interested in all the A Shares held by each other and Fengcheng Xinyuanxing.

(ii) Interests in the Associated Corporations

Save as disclosed below and in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any other person who will, immediately following completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group.

D. Disclaimer

Save as disclosed in this section and the section headed "Business" in this document:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;

(b) none of our Directors or any of the experts referred to under the paragraph headed "— 5. Other Information — E. Qualification of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the [**REDACTED**], have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. EMPLOYEE INCENTIVE SCHEME

A. 2024 Restricted Share Incentive Scheme

The following is a summary of the principal terms of the 2024 Restricted Share Incentive Scheme. The terms of 2024 Restricted Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our [**REDACTED**].

(i) Purpose

The purpose of the 2024 Restricted Share Incentive Scheme is to improve our Group's long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of our Group's key employees, align the interests of our Shareholders, our Group and our key employees and focus on the long-term development of our Group.

(ii) Administration

The 2024 Restricted Share Incentive Scheme is subject to the approval of the Shareholders' general meeting, administration of the Board and the supervision of the board of supervisors and independent directors.

(iii) Participants

The participants of the 2024 Restricted Share Incentive Scheme include Directors, senior management and key technical (business) employees of our Group, excluding independent Directors, supervisors and shareholders or actual controllers who collectively hold more than 5% of the Company's shares and their spouses, parents, children, and foreign employees.

(iv) Maximum number of Shares

The maximum number of restricted Shares that can be granted under the 2024 Restricted Shares Incentive Scheme is 9,205,000 A Shares.

(v) Date of grant and term of the Scheme

The date on which the restricted Shares are granted shall be determined by the Board after approval of the 2024 Restricted Share Incentive Scheme by the Shareholders' general meeting. The grant of restricted Shares shall be approved by the Board, registered and announced within 60 days after the date of approval of the 2024 Restricted Share Incentive Scheme by the Shareholders' general meeting. The 2024 Restricted Share Incentive Scheme shall be effective from the date of completion of the grant of restricted Shares under the scheme up to the date when all of the restricted Shares granted under the scheme have been vested or canceled, provided that the term of the Scheme shall not exceed 60 months.

(vi) Lock-up for Directors and the senior management team

If the grantee is a Director or a senior management of our Company, during the period of the term of employment, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by such Director or senior management can be transferred within six months after termination of his or her employment. If the grantee is a Director or senior management of our Company, income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(vii) Conditions to the grant of restricted Shares

The restricted Shares under the 2024 Restricted Share Incentive Scheme will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's Accountants' Report for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in Accountants' Report for the most recent fiscal year;

(3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

(4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or

(5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

(3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations;

(6) any other circumstances determined by the CSRC; or

(7) circumstances deemed not to be incentives according to the company's incentive assessment system.

(viii) Unlocking of restricted Shares

The lock-up period for restricted Shares from date of grant of restricted Shares to the grantee are 12 months, 24 months and 36 months. During the lock-up period, the restricted Shares granted to the grantee shall not be transferred, used as guarantee or for repayment of debt. In addition, the restricted Shares will only be unlocked when both company-level performance assessment and individual-level performance assessment as set out under the scheme are achieved.

The restricted Shares will be unlocked in tranches of 35%, 35% and 30% in each of the three unlocking periods as set below:

Unlocking period	Schedule	Portion
The first unlocking period	From the first trading day after 12 months from the date of completion of registration for the first grant of restricted shares to the last trading day within 24 months from the date of completion of registration for the first grant of restricted shares	35%
The second unlocking period .	From the first trading day after 24 months from the date of completion of registration for the first grant of restricted shares to the last trading day within 36 months from the date of completion of registration for the first grant of restricted shares	35%
The third unlocking period	From the first trading day after 36 months from the date of completion of registration for the first grant of restricted shares to the last trading day within 48 months from the date of completion of registration for the first grant of restricted shares	30%

(ix) Grant price of restricted Shares

The grantees shall pay the grant price upon fulfillment of all the conditions of the restricted Shares to purchase the A Shares from our Company. The grant price of each restricted Shares shall be RMB3.18 per each Share.

(x) Outstanding restricted Shares

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the 2024 Restricted Share Incentive Scheme was 9,205,000, representing approximately [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]).

The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management or connected persons of our Company under the 2024 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position in our Company	Date of grant	Number of outstanding restricted Shares	Grant price	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
Mr. Peng Yaguang . . .	Senior deputy manager	September 27, 2024	80,000	3.18	35%, 35% and 30% of the share awards granted under the 2024 Restricted Share Incentive Scheme will be released from lock-up in each of the three periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively	[**REDACTED**]%
Mr. Wang Qiang	Senior deputy manager	September 27, 2024	50,000	3.18		[**REDACTED**]%
Mr. Wang Yi. .	Deputy general manager	September 27, 2024	350,000	3.18		[**REDACTED**]%
Mr. Chen Yujun	Deputy general manager	September 27, 2024	100,000	3.18		[**REDACTED**]%
Ms. Ma Lin . .	Deputy general manager	September 27, 2024	100,000	3.18		[**REDACTED**]%
Mr. Hua Wenchao. . .	Deputy general manager	September 27, 2024	100,000	3.18		[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the [**REDACTED**] and our Share Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding Directors, senior management and connected persons of our Company) under the 2024 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Restricted Share Incentive Schemes	Number of grantees	Date of grant	Number of outstanding restricted Shares	Grant price	Vesting period	Approximate percentage of issued Shares immediately after completion of the [REDACTED][(1)]
2024 Restricted Share Incentive Scheme .	171	September 27, 2024	8,425,000	3.18	35%, 35% and 30% of the share awards granted under the 2024 Restricted Share Incentive Scheme will be released from lock-up in each of the three periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively	**[REDACTED]**%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the [**REDACTED**] and our Share Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under PRC laws is likely to fall upon any member of our Group.

B. Litigation

Save as disclosed in the sections headed "Business" and "Financial Information" in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

C. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the [**REDACTED**] for [**REDACTED**] of, and permission to [**REDACTED**], the H Shares of our Company. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Joint Sponsors, we have agreed to pay the Joint Sponsors an aggregate fee of US$900,000 to act as the sponsors of our Company in connection with the proposed [**REDACTED**] on the Hong Kong Stock Exchange.

D. Compliance Advisor

Our Company has appointed Yue Xiu Capital Limited as our compliance advisor in compliance with Rules 3A.19 of the Listing Rules.

E. Qualification of Experts

The qualification of the experts, as defined under the Listing Rules, who have given opinions in this document are as follows:

Name	Qualification
J.P. Morgan Securities (Far East) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Guang Dong J&J Law Firm	PRC legal advisors to our Company
Santoso, Martinus & Muliawan Advocates	Indonesian legal advisor to our Company
Hogan Lovells International LLP	Legal advisor to our Company as to International Sanctions Law
Grant Thornton Hong Kong Limited	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Auditors for Public Interest Entities under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Zhitong (Beijing) Registered Tax Agents Co., Ltd. Shenzhen Branch	Transfer pricing consultant
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

F. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — E. Qualification of Experts" in this Appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

G. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

H. No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, and up to the date of this document.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

J. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Summary of the Articles of Association — Share Increases, Decreases, and Repurchases" in Appendix V to this document.

K. Preliminary Expenses

We have not incurred any material preliminary expenses.

L. Promoters

The promoters of our Company are Shenzhen Huifengyuan Investment Co., Ltd. (深圳市滙豐源投資有限公司), Guangdong Technology Risk Company (廣東省科技風險投資有限公司), Shenzhen Xiexin Industrial Co., Ltd. (深圳市協迅實業有限公司) and Shenzhen Xinyuanxing New Materials Co., Ltd. (深圳市鑫源興新材料有限公司).

Within two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document.

M. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document:

  (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

  (iii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

  (iv) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(g) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

N. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).