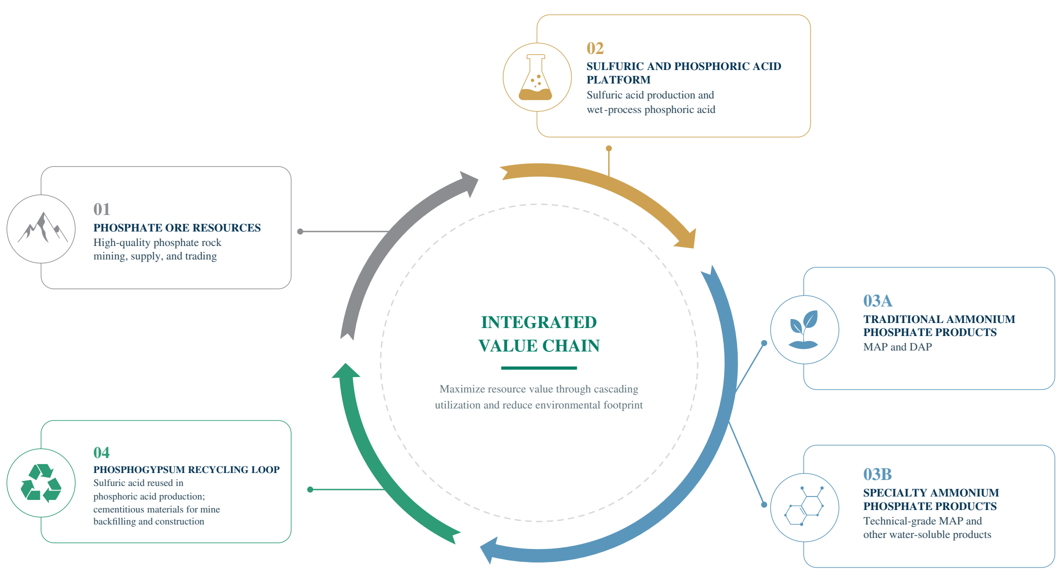
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a leading enterprise in China with an integrated business model based on full-life-cycle cascading utilization of phosphate resources. According to Frost & Sullivan, we ranked eighth in China in terms of domestic sales volume of technical-grade monoammonium phosphate ("**MAP**") in 2025, and eighth in China in terms of domestic sales volume of diammonium phosphate ("**DAP**") in 2025. Our vertically integrated business spans the entire industry chain, including phosphate rock mining, beneficiation, sulfuric acid preparation, phosphoric acid production, ammonium phosphate product manufacturing, and green recycling of phosphogypsum. During the Track Record Period, we derived revenue primarily from sales of (i) traditional ammonium phosphate products, which included MAP and DAP; (ii) specialty ammonium phosphate products, which included technical-grade MAP and other water-soluble products; (iii) phosphate rock, which included phosphate rock and residual slag after beneficiation of phosphate rock; and (iv) others, which primarily consisted of chemical by-products. During the Track Record Period, our traditional ammonium phosphate products and specialty ammonium phosphate products were sold primarily as fertilizers. Our operating model is designed to realize the value embedded in phosphate rock across fertilizers, higher-value phosphate chemical applications and solid-waste recycling.

The chart below illustrates our integrated business model:



We benefit from cost advantages arising from our resource reserves, our strategic location and proximity to transportation networks, and the internal recycling of key by-products from our production. Our core mining area and our production base are located within ten kilometers of each other and in close proximity to the Yangtze River and a dedicated railway line, forming an efficient logistical network that allows us to reach domestic and international markets at relatively low delivery costs. We have established a marketing network that covers major agricultural regions in China and extends into international markets and boasts a stable high-quality customer base. During the Track Record Period, we served over 360 domestic and international customers, primarily consisting of established market participants in downstream industries. Our disciplined settlement arrangements, under which we generally require payment before delivery, support our operating cash flows and credit risk management.

Leveraging our integrated value chain and flexible market strategies, we achieved steady revenue growth during the Track Record Period. Our revenue increased from RMB1,506.1 million in 2023 to RMB1,622.8 million in 2024, and further increased to RMB1,858.6 million in 2025, representing a CAGR of 11.1%. In addition, we have maintained sound operating cash flows and efficient working capital turnover. Taking into account the further development of our self-owned Yulinxi Phosphate Mine and the planned increase of the production volume for specialty ammonium phosphate products, we believe that we have established a solid foundation for the continuing growth of our business.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success to date and will continue to enable us to seize industry growth opportunities and sustain our market leadership: (i) diversified product portfolio backed by cascading utilization with strong brand recognition; (ii) forward-looking expansion into diversified applications; (iii) cost efficiencies enabled by substantial resource reserves, strategic location and internal recycling of by-products; (iv) strong R&D capabilities and green circular economy practices; (v) extensive marketing network and stable high-quality customer base; and (vi) experienced, visionary management team with insights into industry cycles.

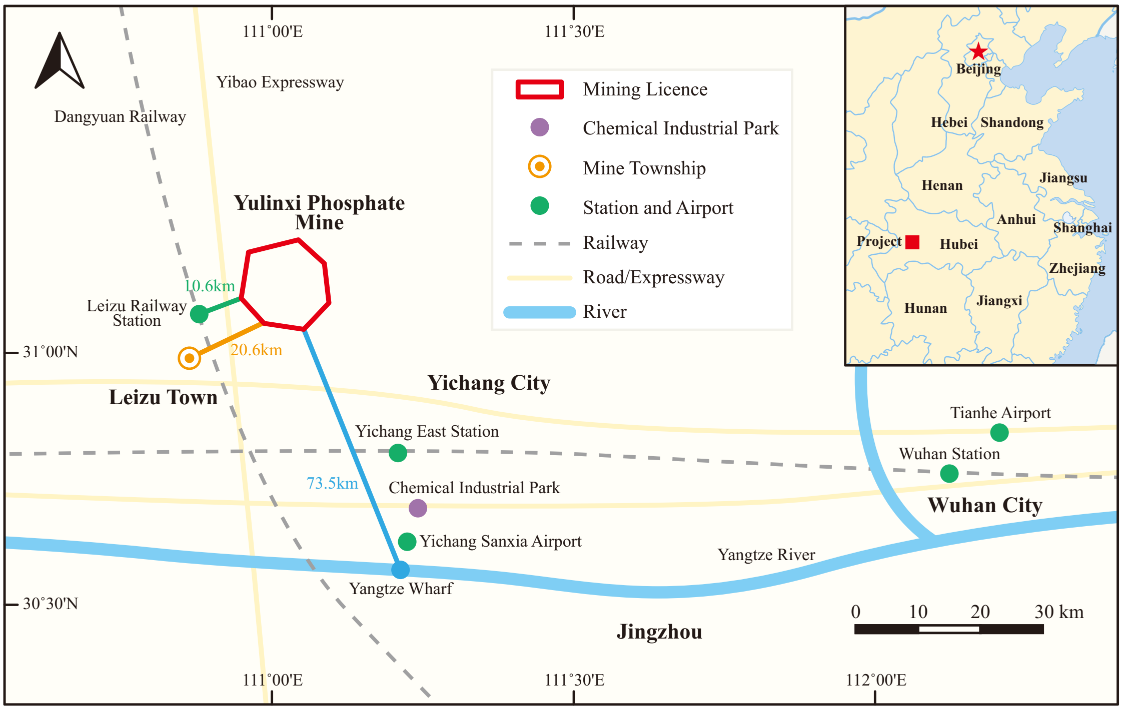
OUR BUSINESS STRATEGIES

We plan to implement the following key strategies: (i) optimize our product mix to enhance our profit margin; (ii) continue to develop our proprietary mine and explore additional resource cooperation opportunities; (iii) enhance our R&D capabilities; and (iv) expand our sales and marketing network and increase market penetration.

OUR MINERAL ASSETS AND MINING RIGHTS

Yulinxi Phosphate Mine

The Yulinxi Phosphate Mine is 100% owned and operated by our Group. We obtained the mining license of the Yulinxi Phosphate Mine in September 2017 and the Safety Production Permit of the Yulinxi Phosphate Mine in November 2025. The Yulinxi Phosphate Mine is in Xihe Village, Leizu Town, Yuan'an County, Yichang City, Hubei Province, China, with a mining area of approximately 11.0 square kilometers. Our Yulinxi Phosphate Mine benefits from a well-developed transportation network, it is only 73.5 kilometers from the Yangtze River wharf on the vital waterway, and 20.6 kilometers from the nearest exit of the Yibao Expressway. It is only approximately 10.6 kilometres from Leizu railway station on the Dangyuan Railway, which gives it a significant advantage in transportation costs. The following map illustrates the location of our Yulinxi Phosphate Mine:



Mineral Resource and Ore Reserve

According to the Competent Person's Report, the Mineral Resource of the Yulinxi Phosphate Mine has been classified as Measured, Indicated and Inferred based on geological confidence, Point of Observation (PoO) spacing, and the presence of underground workings. According to the Competent Person's Report, as of March 31, 2026, our Yulinxi Phosphate Mine possesses total estimated Mineral Resources of approximately 72.5 million tonnes, comprising 4.7 million tonnes of Measured Resources, 22.9 million tonnes of Indicated Resources and 44.8 million tonnes of Inferred Resources, and total estimated Ore Reserves of approximately 22.6 million tonnes, comprising 3.8 million tonnes of Proved Reserves and 18.8 million tonnes of Probable Reserves.

The following table sets forth a summary of the Mineral Resource estimate of our Yulinxi Phosphate Mine as of March 31, 2026 and reported in accordance with the JORC Code, as contained in the Competent Person's Report in Appendix III to this document:

Ore Layer	**Resource Category**	**Mineral Resouce**	**P_2O_5 Grade**	**A.I. Grade**
		(million tonne)	*(%)*	*(%)*
	Measured	4.7	22.1	22.0
	Indicated	22.9	23.2	21.9
Ph_1^3	**Measured + Indicated**	**27.6**	**23.0**	**21.9**
	Inferred	44.8	24.0	19.6

Ore Layer	Resource Category	Mineral Resouce	P_2O_5 Grade	A.I. Grade
		(million tonne)	*(%)*	*(%)*
	Total	**72.5**	**23.7**	**20.5**

The following table presents a summary of the Ore Reserve estimate of our Yulinxi Phosphate Mine as of March 31, 2026 and reported in accordance with the JORC Code, as contained in the Competent Person's Report in Appendix III to this document:

Category	Tonnage	P_2O_5 Grade
	(million tonne)	*(%)*
Proved	3.8	20.2
Probable	18.8	21.1
Total	**22.6**	**20.9**

According to the Competent Person's Report, as of March 31, 2026, at the designed annual RoM ore production volume of 1.5 million metric tonnes, the LoM of the Yulinxi Phosphate Mine was estimated to be approximately 17 years, including an one-year ramp up period, 13-year full-capacity production period and a three-year ramp down period.

As confirmed by the Competent Person, there had been no material change to the Mineral Resource and Ore Reserve estimates of our Yulinxi Phosphate Mine as of March 31, 2026, and up to the Latest Practicable Date.

Mining License

Since 2017, we have owned the mining rights of our Yulinxi Phosphate Mine. The material terms of our mining license are set out below:

- Issuing authority: Hubei Provincial Department of Natural Resources
- Holder of mining license: Dongsheng Chemical
- Name of mine: Yulinxi Phosphate Mine of Hubei Dongsheng Chemical Group Co., Ltd.
- License number: C1000002017096110145167
- Mining method: Underground mining
- Production scale: 1.5 million tonnes per annum
- Mining area: 10.9515 sq. km
- Period of validity granted: From 6 September 2017 to 6 September 2047

On November 8, 2024, the Mineral Resources Law of the People's Republic of China (Revised Draft) (the "**new Mineral Resources Law**") was passed at the 12th Session of the Standing Committee of the 14th National People's Congress, and took effect on July 1, 2025. Please refer to "Regulatory Overview" for details.

Our PRC Legal Advisors are of the view that the implementation of the new Mineral Resources Law will not adversely affect our operation and financial performance in material aspects. We aim to renew our mining license before its expiry date. As advised by our PRC Legal Advisors, there are no explicit regulations limiting the number of times a mining license may be renewed in the PRC. During the Track Record Period, we have pledged our mining rights to secure our banking facilities. See "Financial information — Indebtedness" in this document for further details of our bank facilities.

Capital Cost

According to the Competent Person's Report, our historical capital costs were RMB224.6 million in 2023, RMB625.3 million in 2024 and RMB155.1 million in 2025. The following table sets forth a breakdown of the historical capital costs during the Track Record Period and the forecast capital costs from 2026 to 2039.

Cost Centre	2023	2024	2025	2026Q1	2026Q2_Q4	2027	2028	2029	2030	2031-2039
	(RMB in million)	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*	*(RMB in million)*
Sunk Capex										
Buildings	171.3	591.7	76.9	0.6	—	—	—	—	—	—
Engineering machinery	4.3	1.0	2.3	2.9	—	—	—	—	—	—
Water drainage equipment	—	—	—	—	—	—	—	—	—	—
Production equipment	19.2	11.7	65.1	9.9	—	—	—	—	—	—
Electrical devices	0.6	—	0.1	—	—	—	—	—	—	—
Vehicles	5.0	5.6	0.6	1.8	—	—	—	—	—	—
Other fixed assets	12.6	15.1	10.1	0.5	—	—	—	—	—	—
Work in progress	—	—	—	5.5	—					
Land use	4.7	—	—	—	—	—	—	—	—	—
Exploration licence	6.9	—	—	—	—	—	—	—	—	—
Other intangible assets	—	0.2	—	—	—	—	—	—	—	—
Deferred asset	—	—	—	0.9	—	—	—	—	—	—
Deferred tax asset	—	—	—	—	—	—	—	—	—	—
Other non-current assets	—	—	—	—	—	—	—	—	—	—
Sub-total	224.6	625.3	155.1	22.1	—	—	—	—	—	—
Sustaining Capex										
Tunnels	—	—	—	7.8	23.4	31.2	31.2			
Water pumping bays	—	—	—	0.1	0.3	0.4	0.4			
Refuge chamber	—	—	—	0	0	0	0			
Other sustaining Capex	—	—	—	—	—	—	—	51.2	51.2	460.9
Sub-total	—	—	—	7.9	23.7	31.6	31.6	51.2	51.2	460.9
Total	**224.6**	**625.3**	**155.1**	**30.0**	**23.7**	**31.6**	**31.6**	**51.2**	**51.2**	**460.9**

Operating Costs

According to the Competent Person's Report, our historical operating cash costs were RMB305.7 million in 2023, RMB331.3 million in 2024 and RMB94.7 million in 2025. The following table sets forth a breakdown of the historical cash operating cost during the Track Record Period.

Operating Cash Cost by Activities	**2023**	**2024**	**2025**
	(RMB in million)	*(RMB in million)*	*(RMB in million)*
Workforce employment	13.9	14.3	14.2
Consumables	68.0	77.8	29.9
Fuel, electricity, water and other services	181.2	202.8	34.8
On and off-site administration	0.8	2.8	4.6
Environmental protection and monitoring	—	—	—
Transportation of workforce	—	—	—
Product marketing and transport	—	—	—
Non-income taxes, royalties and other governmental charges	41.7	33.6	11.3
Contingency allowances	—	—	—
Total	**305.7**	**331.3**	**94.7**

During the Track Record Period, the operating costs of our Yulinxi Phosphate Mine increased from RMB305.7 million in 2023 to RMB331.3 million in 2024, primarily due to large-scale construction and underground development activities in 2024, and decreased to RMB94.7 million in 2025 as the mine construction work progressively neared completion.

The following table sets forth a breakdown of the forecast cash operating cost from 2026 to 2043.

Operation Cash Cost by Activities	Q2-Q4 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
									(RMB in million)									
Workforce employment	42.6	48.5	49.9	49.4	49.7	49.8	49.7	49.9	49.9	49.6	49.7	48.9	49.9	48.4	41.7	14.8	8.9	–
Consumables	100.3	114.1	117.5	116.2	116.9	117.1	116.9	117.5	117.4	116.8	116.9	115.1	117.5	114.0	98.2	34.9	21.0	–
Fuel, electricity, water and other services	37.8	43.0	44.2	43.7	44.0	44.1	44.0	44.2	44.2	44.0	44.0	43.3	44.2	42.9	37.0	13.1	7.9	–
On/off-site administration	51.2	58.2	59.9	59.2	59.6	59.7	59.6	59.9	59.9	59.6	59.6	58.7	59.9	58.1	50.1	17.8	10.7	–
Environmental protection and monitoring	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	1.9	0.7	0.4	–
Transportation of workforce	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Product marketing and transport	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NITRGC	47.2	53.7	55.3	54.7	55.1	55.1	55.0	55.3	55.3	55.0	55.1	54.2	55.3	53.7	46.2	16.4	9.9	–
Contingency allowances	28.1	31.9	32.9	32.5	32.7	32.8	32.7	32.9	32.8	32.7	32.7	32.9	32.9	31.9	27.5	9.8	5.9	–
Total	**309.1**	**351.6**	**362.0**	**357.9**	**360.3**	**360.8**	**360.1**	**362.0**	**361.8**	**359.8**	**360.3**	**354.5**	**362.0**	**351.1**	**302.6**	**107.5**	**64.8**	**–**

The unit cash operating cost over the LoM is RMB241.7 per tonne. In our Competent Person's opinion, our Yulinxi Phosphate Mine has a proven track record of production, and the forecast operating costs used in the LoM model are reasonable.

OUR PRODUCTS

During the Track Record Period, our products consisted of (i) traditional ammonium phosphate products, including MAP and DAP, which are primarily used as fertilizers; (ii) specialty ammonium phosphate products, including technical-grade MAP and other water-soluble products, which can be used as fertilizers and in a variety of industrial applications; (iii) phosphate rock, which included phosphate rock and residual slag after beneficiation of phosphate rock; and (iv) others, which primarily consisted of chemical by-products.

The following table sets forth the breakdown of our revenue by category for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Revenue from contracts with customers						
Traditional ammonium phosphate products	1,025,511	68.1	1,111,503	68.5	1,375,118	74.0
Specialty ammonium phosphate products	79,827	5.3	248,164	15.3	379,544	20.4
Phosphate rock	391,837	26.0	243,576	15.0	79,132	4.3
Others	8,139	0.5	18,829	1.2	24,090	1.3
Subtotal	1,505,314	99.9	1,622,072	100.0	1,857,884	100.0
Revenue from other sources						
Rental income	762	0.1	734	—	734	—
Total	**1,506,076**	**100.0**	**1,622,806**	**100.0**	**1,858,618**	**100.0**

The following table sets forth the sales volumes and average selling prices for our traditional ammonium phosphate products, specialty ammonium phosphate products and phosphate rock for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(t)	*(RMB)*	*(t)*	*(RMB)*	*(t)*	*(RMB)*
Traditional ammonium phosphate products	326,429	3,140	317,370	3,500	342,867	4,010
Specialty ammonium phosphate products	17,220	4,640	50,959	4,870	77,305	4,910
Phosphate rock	754,500	520	607,900	400	293,689	270

OUR PRODUCTION

As of the Latest Practicable Date, we operated one phosphate mine and one ammonium phosphate production base for the production of phosphate rock, traditional ammonium phosphate products and specialty ammonium phosphate products in Yuan'an County, Yichang City, Hubei Province in the PRC.

CUSTOMERS

During the Track Record Period, we sold our products either through direct sales or sales to distributors. Our direct sales model comprises (i) sales of products to end customers directly and (ii) sales of products to trading companies. During the Track Record Period, we also had limited sales to distributors. As of the Latest Practicable Date, we had discontinued our distributorship model and no longer had distributor customers. During the Track Record Period, we served over 360 domestic and international customers, primarily consisting of established market participants in downstream industries. As of December 31, 2025, over 80 customers had maintained business relationships with us for more than five years.

We market and sell ammonium phosphate products both in China and overseas, including Southeast Asia, South Asia and South America. The table below sets forth a breakdown of our revenue by geographical market for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Geographical market						
Chinese Mainland	1,301,792	86.4	1,197,091	73.8	1,224,847	65.9
Outside Chinese Mainland. . .	204,284	13.6	425,715	26.2	633,771	34.1
Total	**1,506,076**	**100.0**	**1,622,806**	**100.0**	**1,858,618**	**100.0**

Revenue from our five largest customers for the years ended December 31, 2023, 2024 and 2025 amounted to RMB348.1 million, RMB476.4 million and RMB670.7 million, respectively, representing 23.1%, 29.3% and 36.0%, respectively, of our total revenue. Revenue generated from our largest customer for the years ended December 31, 2023, 2024 and 2025 amounted to RMB77.1 million, RMB171.8 million and RMB227.0 million, respectively, representing 5.1%, 10.6% and 12.2% of our total revenue for the same years. As of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders holding 5% or more of our issued share capital had any interest in any of our five largest customers.

SUPPLIERS

Our suppliers primarily consist of suppliers of raw materials and utilities. Purchases from our five largest suppliers for the years ended December 31, 2023, 2024 and 2025 amounted to RMB496.9 million, RMB567.4 million and RMB472.1 million, respectively, representing 35.8%, 33.7% and 27.0% of our total purchases for the same years. Purchases from our largest supplier for the years ended December 31, 2023, 2024, 2025 amounted to RMB149.7 million, RMB156.1 million and RMB153.1 million, respectively, representing 10.8%, 9.3% and 8.7% of our total purchases for the same years. During the Track Record Period and as of the Latest Practicable Date, except for Yichang Lisheng

Commerce & Trade Co., Ltd (the "**Yichang Lisheng**"), a company ultimately controlled by Mr. Huang Bin's brother-in-law, being a connected person of the Company under Chapter 14A of the Listing Rules, other five largest suppliers were Independent Third Parties. We do not intend to maintain the cooperative relationship with Yichang Lisheng upon the **[REDACTED]**.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 46 registered trademarks, 55 patents and one domain name in the PRC which, in the opinion of our Directors, are material to our business. We have also made one application for the registration of trademarks in Hong Kong. See "Appendix VII — Statutory and General Information".

COMPETITION

We face increasingly intense competition in the ammonium phosphate products industry in the PRC. As of December 31, 2025, there were approximately 200 major producers of ammonium phosphate products in the PRC, which included state-owned enterprises, private-owned enterprises and foreign-invested enterprises.

For the year ended December 31, 2025, our sales volume of traditional ammonium phosphate products and specialty ammonium phosphate products was approximately 342,867 tonnes and 77,305 tonnes, respectively. According to Frost & Sullivan, we are in direct competition with large-scale producers of ammonium phosphate products in the PRC. See "Industry Overview — Competitive Landscape Analysis" in this document for further information about the competitive landscape of the ammonium phosphate products industry in the PRC.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary data from our consolidated financial information for the years ended and as of December 31, 2023, 2024 and 2025, extracted from the Accountants' Report included as Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and qualified in its entirety by, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Profit or Loss

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
REVENUE	1,506,076	1,622,806	1,858,618
Cost of sales	(950,298)	(1,309,742)	(1,453,455)
Gross profit	555,778	313,064	405,163
Other income and gains	5,816	10,926	11,312
Selling and marketing expenses	(1,443)	(2,201)	(3,838)
Administrative expenses	(24,062)	(28,936)	(35,360)
Research and development costs	(45,260)	(41,048)	(62,967)
Other expenses	(3,035)	(11,831)	(26,057)
Finance costs	(55,425)	(53,166)	(47,912)
PROFIT BEFORE TAX	432,369	186,808	240,341
Income tax expense	(65,706)	(37,261)	(48,505)
PROFIT FOR THE YEAR	366,663	149,547	191,836
Profit attributable to:			
Owners of the parent	333,822	157,118	195,425
Non-controlling interests	32,841	(7,571)	(3,589)
	366,663	149,547	191,836

We achieved steady revenue growth during the Track Record Period, which was primarily due to the significant increase in revenue generated from sales of traditional ammonium phosphate products and specialty ammonium phosphate products to overseas markets primarily as a result of increases in the selling prices for these products in the overseas markets.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	868,906	801,193	908,742
Total current liabilities	2,479,351	2,580,937	2,256,379
Net Current Liabilities	**(1,610,445)**	**(1,779,744)**	**(1,347,637)**
Total non-current assets	1,436,987	1,719,661	1,927,512
Total non-current liabilities	285,406	263,567	711,653
Net liabilities	**(458,864)**	**(323,650)**	**(131,778)**

Our business model required significant capital investments in production facilities and mine construction, which are long-term assets in nature. We have primarily financed these capital investments with bank borrowings, including short-term bank borrowings and the current portion of long-term bank borrowings. As we incurred short-term liabilities to finance long-term assets, this mismatch resulted in our net current liabilities position as of December 31, 2023, 2024 and 2025 and April 30, 2026.

To improve our net current liabilities position, during the first four months of 2026, we have taken the following measures (i) renewed certain bank borrowings originally due within one year in the total amount of RMB926.0 million and obtained waivers of certain covenants in these bank loan agreements to extend payment obligations to periods later than December 31, 2026; (ii) entered into sales and lease back arrangements to sell and lease back some of our equipment for financing purposes and obtained borrowings in the total amount of RMB271.5 million; and (iii) implemented cost saving initiatives. Our Yulingxi Phosphate Mine began production in December 2025, which we believe will help reduce costs in 2026 and onwards. We expect the above measures, together with our expected positive cash flows from our operating activities, estimated **[REDACTED]** from the **[REDACTED]** and other possible equity financings, will be able to help significantly reduce our net current liabilities in 2026.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2023	2024	2025
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Net cash flows from operating activities	438,550	325,294	207,742
Net cash flows used in investing activities	(433,553)	(155,327)	(247,176)
Net cash flows used in financing activities	(6,366)	(57,433)	(4,877)
Net (decrease)/increase in cash and cash equivalents	(1,369)	112,534	(44,311)
Cash and cash equivalents at beginning of year	2,320	951	113,918
Effect of foreign exchange rate changes, net	—	433	(1,055)
Cash and cash equivalents at end of year	**951**	**113,918**	**68,552**

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Current ratio (times)(1)	0.4	0.3	0.4
Quick ratio (times)(2)	0.3	0.2	0.2
Interest coverage ratio (times)(3)	6.8	2.5	4.1
Return on assets(4)	17.7%	6.2%	7.2%

Notes:

(1) Current ratio equals our current assets divided by current liabilities as of the end of the year.

(2) Quick ratio equals our current assets less inventories divided by current liabilities as of the end of the year.

(3) Interest coverage ratio equals profit before finance costs and income tax expenses divided by interest expenses for the year.

(4) Return on assets equals profit for the year divided by the average of the beginning and ending balances of total assets for the same year and multiplied by 100%.

For details, see "Financial Information — Key Financial Ratios" in this document.

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors" in this document. As different **[REDACTED]** may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to **[REDACTED]** in the **[REDACTED]**. Some of the major risks that we face include: (i) we are subject to market risks arising from fluctuations in the selling prices of our ammonium phosphate products in China and overseas; (ii) decline in market demand for our products may have a material and adverse impact on us; (iii) we recorded net liabilities and net current liabilities during the Track Record Period. If we continue to incur net liabilities or net current liabilities in the future, we may face liquidity risks and our business, financial condition and results of operations will be materially and adversely affected; (iv) we face significant risks relating to geopolitical developments and international trade policies and the national policies of the relevant countries where our products are sold; (v) our mining activities depend on obtaining and maintaining relevant governmental permits, licenses, and approvals. These authorizations are subject to fixed terms and renewal requirements, and there is a risk that we may not be able to secure, extend, or renew them as needed; (vi) our mining operations are currently and will continue to be concentrated in the Yulinxi Phosphate Mine and we are exposed to uncertainties relating to this mine; (vii) our ability to sustain our operations and achieve future growth depends on whether we can upgrade existing mineral resources and successfully convert them into ore reserves; (viii) our phosphate resources may not ultimately be extracted at a cost that would make internal use of extracted phosphate economically feasible; (ix) our estimates of Mineral Resources and Ore Reserves are based on various assumptions. There can be no assurance that these assumptions will remain unchanged, and any revisions to such assumptions may necessitate a downward adjustment of our estimates; and (x) our mining operations involve numerous operational risks and hazards, which could lead to higher costs or losses, personal injury or fatalities, reputational damage, operational disruptions, and other penalties.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Huang and Mr. Huang Changbing will, in aggregate, control approximately **[REDACTED]**% of the voting rights attached to the Shares entitled to vote at the general meetings of our Company. Mr. Huang Changbing and Mr. Huang are father and son, and have entered into acting-in-concert, and in any event are deemed to be acting in concert under the SFO by virtue of their family relationship, and accordingly, Mr. Huang and Mr. Huang Changbing constitute a group of our Controlling Shareholders, and will remain so immediately following the **[REDACTED]**.

RECENT DEVELOPMENTS

As one of the 24 strategic resources for China, phosphorus resources are of significant strategic importance in ensuring food security, supporting the industrial development and facilitating the energy transition. In response to the evolving international geopolitical environment since the beginning of 2026, we have prioritized supplying our ammonium phosphate products to the Chinese domestic market to help support the secure supply of fertilizers. Accordingly, we have not engaged in any export sales in

2026 up to the Latest Practicable Date. Looking forward, we will continue to monitor developments in the international markets and trade policies in China and will make timely adjustments to our overseas sales arrangements as appropriate.

For the four months ended April 30, 2026, both the sales volume and average selling price of our specialty ammonium phosphate products increased significantly compared to the same period in 2025 primarily due to increasing market demand and our increased production volume of specialty ammonium phosphate products.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which the latest consolidated financial information of our Group was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

[REDACTED]

We estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million) from the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us and assuming the initial **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]** range.

We intend to **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for the automation upgrade for mining operations and production of ammonium phosphates products;

- approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]** million, is expected to be used for the investments for the phosphogypsum-based acid by-product cementitious admixture circular economy project;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for strategic alliances and collaboration on potential mining operations. We aim for a mature resource site that has relatively sufficient reserves and proximity to transportation. As of the Latest Practicable Date, we have not identified any target;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for the research and development, including the upgrading and enhancement of our existing products and R&D for new products and auxiliary materials;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for repayment of bank loans;

- approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for working capital purposes.

For details, see "Future Plans and **[REDACTED]**" in this document.

DIVIDENDS

We had accumulated losses and a net liabilities position throughout the Track Record Period. No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. As advised by our PRC Legal Advisors, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Group currently does not have a pre-determined dividend policy. The Board may declare, and our Company may pay, dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant. We may distribute dividends byway of cash, or warrant. We may distribute stock dividends if our Directors consider that our stock price and equity scale do not match and that distribution of stock dividends is beneficial to all Shareholders' interest. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC Company Law. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. In addition, we may declare interim dividends as our Board considers to be justified by our profits and overall financial requirements. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting.

[REDACTED](1)

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our Shares(1)	HK$**[REDACTED]** million	HK$**[REDACTED]** million
[REDACTED] adjusted net tangible assets per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

(1) The calculation of **[REDACTED]** is based on **[REDACTED]** H Shares expected to be in **[REDACTED]** and outstanding following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(2) The **[REDACTED]** adjusted net tangible assets per Share is arrived at after adjustments referred to in the Appendix II to this document and on the basis that **[REDACTED]** shares were in **[REDACTED]** immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

[REDACTED]

Our **[REDACTED]** mainly include **[REDACTED]** and professional fees paid to legal advisors and service providers for their services rendered in relation to the **[REDACTED]**. We expect to incur a total of HK$**[REDACTED]** million of **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range between HK$**[REDACTED]** and HK$**[REDACTED]**, and assuming that the **[REDACTED]** is not exercised) until the completion of the **[REDACTED]**. **[REDACTED]** represent professional fees and other fees incurred in connection with the **[REDACTED]**, including **[REDACTED]**. Such **[REDACTED]** expenses comprise **[REDACTED]** expenses of HK$**[REDACTED]** million and **[REDACTED]** expenses of HK$**[REDACTED]** million, respectively. The

[REDACTED] expenses consist of (i) HK$**[REDACTED]** million of fees and expenses of legal advisors and the reporting accountants, and (ii) HK$**[REDACTED]** million of fees and expenses of the Sole Sponsor and other fees and expenses, which primarily represent fees and expenses for other professional services. Approximately HK$**[REDACTED]** million is expected to be capitalized. The **[REDACTED]** expenses above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, other than one litigation case disclosed in the section headed "Business — Legal Proceedings and Compliance Matters", we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings 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.

During the Track Record Period and up to the Latest Practicable Date, except for two historical non-compliance incidents or defects disclosed in "Business — Legal Proceedings and Compliance Matters" in this document, we had not been and were not involved in any material incidents of non-compliance. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.