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 entire 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." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

Who We Are

We are a lithium-ion battery recycling and reutilization company dedicated to exploring a circular and clean future. According to the F&S Report, in terms of sales revenue of recycled products in 2025, we were the second-largest lithium-ion battery recycling and reutilization enterprise and the largest third-party lithium-ion battery recycling and reutilization enterprise globally. As one of Chinese mainland's earliest enterprises engaged in lithium-ion battery recycling since 2014, leveraging our first-mover advantage and comprehensive capabilities, we have established an integrated ecosystem for lithium-ion battery recycling that encompasses:

- "**Full Element**" Recovery of all valuable materials of retired lithium-ion batteries, such as lithium, nickel, cobalt, manganese, and iron;

- "**Full Component**" Reutilization of both battery cathodes and anodes; and

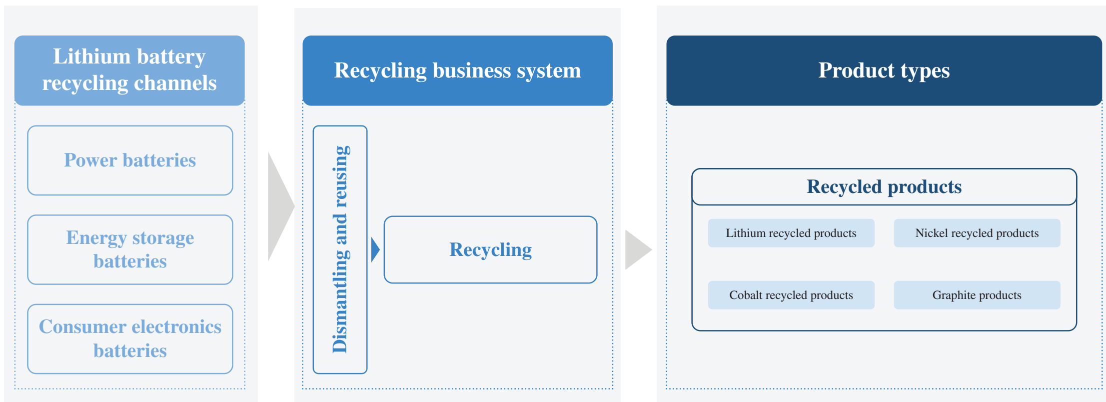
- "**Full System**" Coverage which represents our comprehensive and end-to-end production capability that covers the dismantling and crushing of retired batteries, and the production of lithium-ion battery materials for cathodes and anodes.

Our recycling business covers mainstream battery systems including ternary lithium-ion batteries and LFP batteries. Our products serve major downstream applications in the lithium-ion battery industry, including EVs, energy storage systems, and consumer electronics. This strategic positioning has enabled us to establish a comprehensive, vertically integrated business model with a complete closed-loop industrial chain.

Our Business Model

Battery recycling represents a critical link in the lithium-ion battery value chain, bridging downstream applications with upstream material production while enabling circular economy principles within the industry. Through our recycling platform, we process black mass, retired lithium-ion batteries, and battery manufacturing scraps, which constitute the primary feedstock for our recycling operations. This is particularly significant given the approaching wave of retired lithium-ion batteries in the coming years. By enabling both environmental protection through proper battery disposal and recycling of resources through the recovery of critical metals, we support the lithium-ion battery industry's sustainability objectives and China's "dual carbon" goals while addressing the growing challenge of battery waste management.

We conduct "full component" reutilization of black mass, retired lithium-ion batteries and battery manufacturing scraps, producing raw materials for ternary and LFP battery cathode materials and anode materials. These products are ultimately remanufactured into lithium-ion batteries by our downstream customers, creating a closed-loop recycling system. The diagram below demonstrates our lithium-ion battery recycling and reutilization business model.



Our Market Opportunities

According to the F&S Report, the global transition to clean energy, coupled with the rapid development of EV and energy storage industries and other emerging applications, has made the importance of lithium-ion batteries and lithium resources (often referred to as "white oil") increasingly prominent. However, traditional mineral extraction faces significant challenges in meeting the growing demand for lithium resource. Through lithium-ion battery recycling, we can significantly reduce both environmental pollution and mineral resources consumption, aligning with global environmental protection trends and demonstrating our commitment to sustainable development.

Moreover, according to the F&S Report, while Chinese mainland has established a sophisticated lithium-ion battery industry chain and strong market demand, it lacks domestic lithium mineral resources. This dependency on imported lithium materials creates high costs and supply chain vulnerabilities. By developing a localized lithium-ion battery recycling system in Chinese mainland, we can facilitate resource self-circulation, support supply chain stability, reduce the impact of international market fluctuations, and effectively promote circular economy development, while creating new employment opportunities and economic growth drivers.

Looking ahead, according to the F&S Report, the global lithium-ion battery recycling and reutilization solutions market is expected to continue rapid development, reaching a treatment volume of 21.1 million tons by 2031, representing a CAGR of 52.2% from 2025 to 2031. This growth is driven by the approaching retirement wave of lithium-ion batteries, China's need to address core mineral resource shortages despite its leading position in lithium-ion battery production, and the increasing importance of battery recycling in achieving global carbon reduction targets. Leveraging our comprehensive capabilities, we believe we are well positioned to capitalize on these industry opportunities in China's growing lithium-ion battery recycling market while supporting global sustainability objectives.

OUR PRODUCTS

We specialize in the recycling, resource recovery, and reuse of lithium-ion batteries, offering a wide range of recycled products, primarily including lithium carbonate, nickel sulfate and cobalt sulfate. Sales of lithium, nickel and cobalt recycled products accounted for approximately 88.7% of our total revenues for the year ended December 31, 2025, with lithium recycled products, nickel recycled products, and cobalt recycled products contributing 44.8%, 24.4%, and 19.4%, respectively. The table below sets forth a breakdown of our revenues by product types for the periods indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in RMB thousands, except percentages)					
Lithium recycled products	1,455,704	50.4	769,391	35.6	988,163	44.8
Nickel recycled products	926,598	32.0	903,973	41.9	537,815	24.4
Cobalt recycled products	400,411	13.8	324,727	15.1	426,755	19.4
Provision of processing services(1)	5,703	0.2	834	0.0	60,817	2.8
Others(2)	103,129	3.6	158,313	7.4	188,464	8.6
Total	**2,891,545**	**100.0**	**2,157,238**	**100.0**	**2,202,014**	**100.0**

Note:

(1) Includes provision of processing services for cobalt sulfate and industrial grade lithium carbonate.

(2) Mainly includes sales of manganese sulfate, iron phosphate, black mass and by-products and scraps, such as sodium sulfate.

The table below sets forth a breakdown of the sales volume and average selling price of our major recycled products for the periods indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	Sales Volume(1)	Average Selling Price per ton	Sales Volume(1)	Average Selling Price per ton	Sales Volume(1)	Average Selling Price per ton
	ton	*RMB*	*ton*	*RMB*	*ton*	*RMB*
Lithium carbonate	7,410	196,443	10,599	72,594	15,318	64,511
Nickel sulfate	32,827	28,227	37,652	24,009	23,134	23,248
Cobalt sulfate	12,407	32,273	12,908	25,158	9,376	45,517

Note:

(1) Sales volumes of different lithium, nickel and cobalt compounds are converted to that of lithium carbonate, nickel sulfate and cobalt sulfate based on the contents of metal, i.e. lithium, nickel and cobalt contained in these compounds to provide meaningful information.

The table below sets forth a breakdown of our gross profit and gross profit margin by product types for the periods indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	Gross profit/(loss)	Gross profit/ (loss) margin	Gross profit/(loss)	Gross profit/ (loss) margin	Gross profit/(loss)	Gross profit/ (loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Lithium recycled products	(42,659)	(2.9)	(17,712)	(2.3)	18,825	1.9
Nickel recycled products	(26,734)	(2.9)	(10,254)	(1.1)	14,511	2.7
Cobalt recycled products	(18,672)	(4.7)	(30,377)	(9.4)	71,084	16.7
Others[(1)]	39,346	36.2	(4,776)	(3.0)	55,438	22.2
Impairment losses on inventories	(108,863)	N/A	(24,568)	N/A	(4,379)	N/A
Total	**(157,582)**	**(5.4)**	**(87,687)**	**(4.1)**	**155,479**	**7.1**

Note:

(1) Mainly includes sales of manganese sulfate, iron phosphate, black mass and by-products and scraps, such as sodium sulfate.

We recorded a gross loss of RMB157.6 million in 2023, primarily due to a significant decline in the market prices of our major recycled products during the year. In particular, the average selling price of our lithium recycled products decreased from approximately RMB196,443 per ton in 2023 to approximately RMB72,594 per ton in 2024, while the average selling price of our cobalt recycled products decreased from approximately RMB32,273 per ton in 2023 to approximately RMB25,158 per ton in 2024. As the raw materials we purchased at higher prevailing prices were subsequently processed and sold as finished products at lower market prices, the cost of sales of our major products exceeded the corresponding revenue, leading to our overall gross loss. In addition, we recorded impairment losses on inventories of RMB108.9 million in 2023, as the net realizable value of our inventories fell below their carrying amounts amid the rapid price decline. See "Business — Factors affecting the market price of our raw materials and selling price of our recycled products."

We continued to incur a gross loss of RMB87.7 million in 2024. While the rate of decline in the market prices of our major products moderated compared to 2023, selling prices remained below the levels at which we had procured the corresponding raw materials, resulting in continued pricing mismatches. However, our gross loss narrowed significantly from 2023, primarily reflecting (i) a substantial reduction in inventory impairment losses from RMB108.9 million in 2023 to RMB24.6 million in 2024, and (ii) improvements in our production efficiency as production lines reached higher utilization rates. The unit manufacturing costs of lithium recycled products decreased slightly in 2024, while that of cobalt and nickel recycled products decreased by 38.6% and 32.6%, respectively.

We turned to a gross profit position of RMB155.5 million in 2025, primarily due to (i) the increase in average selling prices of our cobalt recycled products, (ii) the stabilization and partial recovery of selling prices of our lithium and nickel recycled products, (iii) our continuous efforts in improving our production technology, resulting in reduced unit manufacturing costs, and (iv) enhanced inventory management through shortened procurement-to-sale cycles, with average inventory turnover days decreasing from 66 days in 2023 to 48 days in 2024 and further to 36 days in 2025, and more disciplined raw material purchasing aligned with confirmed customer orders, leading to a significant reduction in inventory impairment losses from RMB24.6 million in 2024 to RMB4.4 million in 2025. Our overall gross profit margin improved to 7.1% in 2025, compared with a gross loss margin of 4.1% in 2024 and 5.4% in 2023.

PRODUCTION

Lithium-ion battery recycling links the downstream applications of lithium-ion batteries with upstream battery material production, creating a circular economy model within the lithium-ion battery industry. We have established a total of three manufacturing bases in Zhaoqing in Guangdong Province, and Yichun and Ganzhou in Jiangxi Province, forming comprehensive production capability in anticipation of the upcoming wave of the retired lithium-ion batteries. According to the F&S Report, our recycling capacity of retired lithium-ion batteries and production capacity of recycled products from lithium-ion battery recycling rank third in the world in 2025. The table below sets forth our production capacity and our production capacity utilization rates for our primary products for the periods indicated.

	Year ended December 31,								
	2023			2024			2025		
	Production Capacity(1)	Actual Production(2)	Utilization Rate(3)	Production Capacity(1)	Actual Production(2)	Utilization Rate(3)	Production Capacity(1)	Actual Production(2)	Utilization Rate(3)
	(ton)		%	*(ton)*		%	*(ton)*		%
Lithium carbonate	9,374	8,549	91.2	10,783	8,474	78.6	10,161	8,653	85.2
Nickel Sulfate	42,480	32,484	76.5	46,410	38,478	82.9	37,733	30,911	81.9
Cobalt sulfate	16,788	11,795	70.3	19,381	12,926	66.7	15,746	11,652	74.0
Overall	**68,641**	**52,827**	**77.0**	**76,575**	**59,878**	**78.2**	**63,639**	**51,216**	**80.5**

Notes:

(1) Production capacity is calculated based on the assumption that our production facilities operate at their maximum capacity during the respective period.

(2) Actual production volumes of different lithium, nickel and cobalt compounds are converted to that of lithium carbonate, nickel sulfate and cobalt sulfate based on the contents of metal, i.e. lithium, nickel and cobalt contained in these compounds to provide meaningful information.

(3) The utilization rate is calculated based on the production volume for the relevant period divided by the production capacity for the relevant period. The utilization rate is calculated based on the normal production capacity of our main production equipment. The production capacity for 2025 has been adjusted to exclude the capacity attributable to production lines under technical improvement in 2025. The partial shutdown of production facilities due to the technical improvement process was ended in July 2025 and had not caused any material interruptions to the orders secured by the Group.

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future: (i) lithium-ion battery recycling and reutilization company with significant first-mover advantages and scale benefits; (ii) R&D capabilities with core technologies that drive continuous cost reduction, efficiency improvement, and margin enhancement; (iii) quality customer base built on long-term partnerships and deep integration into industry leaders' supply systems; (iv) comprehensive upstream supply chain system ensuring stable supply of high-quality raw materials; and (v) experienced management team with strong track record of innovation and strategic vision. For further details, see "Business — Our Strengths."

OUR STRATEGIES

To achieve our mission and further solidify our position in the industry, we intend to pursue the following strategies: (i) expand upstream and downstream in the lithium-ion battery materials value chain to enhance our integrated ecosystem; (ii) further expand lithium-ion battery material production capacity to increase market share and strengthen industry leadership; (iii) strengthen our R&D capabilities and attract high-caliber talent; (iv) promote green and sustainable development with high ESG standards; and (v) advance global expansion. For further details, see "Business — Our Strategies."

RESEARCH AND DEVELOPMENT

As one of the first Chinese companies engaging in the lithium-ion battery resource recovery business, we have accumulated significant technologies and industry know-how over the past decade by leveraging our first-mover advantages. Primarily due to our advantages in technologies, we have been recognized as a National-level HNTE (國家級高新技術企業) and a National-level SRDI "Little Giant" Enterprise (國家級專精特新"小巨人"企業) and have participated in the formulation of multiple industry standards. In December 2024, we were designated to lead the National Key Research and Development Program Project — New Energy Vehicle Battery Robotized Dismantling Key Technology and Application Demonstration (國家重點研發計劃項目 — 新能源汽車電池機器人化拆解關鍵技術輿應用示範), a national-level key research project aimed at advancing the robotic dismantling of next-generation EV batteries, which demonstrates our technical capabilities and industry recognition. We have established an in-house R&D Institution. As of December 31, 2025, we had a total of 105 R&D employees, many of whom hold bachelor's degree or above in chemistry, refining, engineering, and other scientific fields essential to the lithium-ion battery recycling business, and have extensive work experience in related fields. We incurred RMB100.0 million, RMB77.1 million and RMB95.5 million of research and development expenses in 2023, 2024 and 2025, respectively, accounting for approximately 3.5%, 3.6% and 4.3% of our revenue during the respective periods.

COMPETITION

According to the F&S Report, the lithium-ion battery recycling and reutilization market is an emerging industry with significant growth potential and vast opportunities, where the industry participants continue to develop and establish their positions. We generally compete with lithium-ion battery recycling processors in Chinese mainland.

Competing recycling lithium-ion battery processors employ various techniques to extract battery materials. In general, processors that employ high-temperature thermal processes or shredding/solvent extraction techniques focus primarily on the recovery of nickel and cobalt, with limited ability to recover lithium, manganese, and other metals. Our comprehensive extraction process enables us to recover a broader range of battery materials from the same feedstock, resulting in higher value recovery while maintaining cost-efficient and environmentally sustainable operations.

CUSTOMERS AND SUPPLIERS

Our suppliers are primarily raw material providers in Chinese mainland. In each of 2023, 2024 and 2025, purchases from our largest supplier for the respective period amounted to RMB353.2 million, RMB270.6 million and RMB727.7 million, respectively, representing 11.6%, 11.7% and 35.8% of our total amount of purchase during the respective period, while purchases from our five largest suppliers for each year during the Track Record Period amounted to RMB1,217.0 million, RMB883.4 million and RMB1,315.8 million, respectively, representing 39.8%, 38.3% and 64.7% of our total amount of purchase during the respective period. For further details, see "Business — Our Suppliers."

Our customers are primarily leading battery material manufacturers and recycled product traders in Chinese mainland. In each of 2023, 2024 and 2025, sales to our largest customer for the respective period amounted to RMB532.7 million, RMB573.6 million and RMB828.9 million, respectively, representing 18.4%, 26.6% and 37.6% of our revenue during the respective period, while our five largest customers for each year during the Track Record Period amounted to RMB1,194.8 million, RMB1,164.1 million and RMB1,235.9 million respectively, representing 41.3%, 53.9% and 56.1% of our revenue during the respective period. For further details, see "Business — Our Customers."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors." You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include (i) we are exposed to fluctuations in market prices of our products, which could significantly impact our financial condition and results of operations; (ii) market conditions across the industry value chain could affect the demand and pricing of our products, which may have a material impact on us; (iii) price fluctuation of our raw materials and inadequate or interrupted supply of our raw materials could adversely affect our business, financial condition and results of operations; (iv) we recorded net losses in 2023, 2024 and 2025, and we may not turn around our financial performance; (v) if we are unable to retain existing customers and attract new customers, our business, financial conditions and results of operations will be adversely affected. Specifically, some of our major customers contributed a significant portion of our revenues during the Track Record Period. If these customers reduce or terminate business with us, our business, results of operations, financial condition and growth prospects may be materially and adversely affected; and (vi) the development of alternative battery technologies or energy storage solutions could materially adversely affect our financial position and results of operations.

FACTORS AFFECTING THE MARKET PRICE OF OUR RAW MATERIALS AND SELLING PRICE OF OUR RECYCLED PRODUCTS

The raw materials for our recycled products primarily include: (i) black mass, and (ii) lithium-ion battery production remnants and excess materials and retired lithium-ion batteries. Our purchase prices for such raw materials typically take into account the composition of the key metallic compounds in the raw materials and are influenced by their relevant market prices such as the spot price index of lithium carbonate, nickel sulfate, and cobalt sulfate on Guangzhou Futures Exchange or Shanghai Metals Market at the time of procurement.

Among our wide range of lithium, nickel and cobalt recycled products, our key products primarily include lithium carbonate, nickel sulfate and cobalt sulfate. In particular, the selling prices of our recycled products are typically determined by the market prices, such as the spot price index of lithium carbonate, nickel sulfate, and cobalt sulfate on Guangzhou Futures Exchange or Shanghai Metals Market, at the time of sale. In addition, we price our products based on various other factors including raw material costs, production overheads, order volumes, delivery requirements, warranty offered, competitors' pricings, payment methods and specification of products requested by customers.

During the Track Record Period, there was an unprecedented steep and significant market downturn in the market prices of lithium carbonate in Chinese mainland. The average market prices of lithium carbonate decreased significantly from RMB230,000 per ton in 2023 to RMB81,000 per ton in 2024 and RMB68,000 per ton in 2025. According to the F&S Report, the decrease in market prices of lithium carbonate from 2023 to the first half of 2025 was mainly attributable to the oversupply of lithium carbonate resulting from a surge of substantial capital investments in mining and processing capacity. After plunging to a low of RMB53,500 per ton in the first half of 2025, the market prices of lithium carbonate began to recover in the second half of 2025, primarily driven by improved supply-demand dynamics: on the supply side, (i) the Mineral Resources Law in the PRC (《礦產資源法》), effective from July 2025, significantly increased lithium mining costs and approval timelines, particularly affecting Yichun lepidolite projects, and (ii) export restrictions/nationalization in African and South American lithium-producing nations limited global supply of lithium carbonate; and, on the demand side, continuous growth in EV and ESS penetration drove downstream demand for lithium carbonate. During the Track Record Period, the average market price of lithium-ion power battery cell in Chinese mainland was RMB600, RMB430 and RMB370 per kWh in 2023, 2024 and 2025, respectively, whilst the average market price of lithium-ion energy storage battery cell in Chinese mainland was RMB520, RMB360 and RMB330 per kWh in 2023, 2024 and 2025, respectively. In the first quarter of 2026, in Chinese mainland, the average market price of lithium-ion power battery cell and lithium-ion energy storage battery cell was RMB400 per kWh and RMB360 per kWh, respectively.

The average market price of nickel sulfate declined from approximately RMB29,800 per ton in 2023 to RMB25,500 per ton in 2024 and RMB24,700 per ton in 2025. According to the F&S Report, since 2023, there had been an oversupply of nickel sulfate in the market as Indonesia (accounting for over 60% of global nickel ore production) continuously expanded output, keeping prices at low levels.

The unprecedented steep and significant decline in market prices of lithium carbonate, together with the decline in market prices of nickel sulfate, directly impacts both our procurement costs of key raw materials (black mass, retired batteries, and battery manufacturing scraps) and the selling prices of our recycled products:

- The average selling price of our lithium carbonate products decreased from RMB196,443 per ton in 2023 to RMB72,594 per ton in 2024 and further to RMB64,511 per ton in 2025, representing a 63.0% decrease from 2023 to 2024 and a 11.1% decrease from 2024 to 2025.

- The average selling price of our nickel sulfate products decreased from RMB28,227 per ton in 2023 to RMB24,009 per ton in 2024 and further to RMB23,248 per ton in 2025, representing a 14.9% decrease from 2023 to 2024 and a 3.2% decrease from 2024 to 2025.

In contrast, the average market price of cobalt sulfate, after declining from approximately RMB34,500 per ton in 2023 to RMB26,900 per ton in 2024, recovered to approximately RMB49,700 per ton in 2025. According to the F&S Report, from 2023 to 2024, despite rapid growth in new energy vehicle and energy storage system markets, safety and cost concerns constrained the market share of nickel-manganese-cobalt batteries (which trended towards higher nickel, lower cobalt, or even cobalt-free formulations), while LFP batteries (not requiring cobalt sulfate) gained dominance, resulting in oversupply and sustained price declines. The surge in market prices of cobalt sulfate in 2025 was primarily driven by the decrease in global supply following the Democratic Republic of the Congo's (which accounted for approximately 70% of global cobalt mine output) export ban on raw and semi-processed cobalt in February 2025, and the introduction of quota system in October 2025 with an annual export cap of approximately 96,600 tons (representing approximately 50% of 2024 export levels), creating structural supply tightness in the global cobalt market.

The changes in our average selling price of cobalt sulfate products were in line with the changes in average market price of cobalt sulfate. The average selling price of our cobalt sulfate products, after declining from RMB32,273 per ton in 2023 to RMB25,158 per ton in 2024, recovered significantly to RMB45,517 per ton in 2025 in line with the recovery of average market price of cobalt sulfate in the same year, representing a 22.0% decrease from 2023 to 2024 and a 80.9% increase from 2024 to 2025.

The supply and demand dynamics in the battery recycling and reutilization provider market are shaped by diverse factors. On the demand side, according to the F&S Report, lithium batteries typically have a wide range of applications including EVs, energy storage and 3C electronics. According to the F&S Report, while EVs and energy storage segments are experiencing rapid growth, demand in the 3C electronics sector remains steadily growing at a relatively low rate. On the supply side, key materials such as lithium carbonate, nickel sulfate and cobalt sulfate are derived from either mined ores or recycled materials. With mined ores dominating the overall supply, recycled materials account for approximately 10% in the total supply of lithium carbonate, nickel sulfate and cobalt sulfate in Chinese mainland in 2025. Consequently, the prices of these materials are primarily influenced by the supply and availability of mined ores, making ore market dynamics critical to pricing and supply chain stability in the battery recycling industry.

Our Directors are of the view that the decline in average selling price of our products is primarily driven by such supply and demand dynamics in the battery recycling and reutilization provider market and was in line with the market trend. In 2025, (i) our average selling prices of cobalt sulfate products increased, (ii) our average selling prices of nickel sulfate remained relatively stable and (iii) our lithium carbonate products recorded a narrower decline in average selling prices compared to the decrease from 2023 to 2024. We expect the market price recovery in the second half of 2025 to positively impact our future average selling prices for lithium carbonate products.

Looking forward, our Directors are of the view that: (a) the market prices of lithium carbonate are expected to stabilize in the near term, supported by stabilization in upstream mining capacity and a continuous growth in downstream demand as EV and ESS penetration continues to increase; and (b) the Group's price-locking arrangements with back-to-back customers, including part of recycled product traders and futures traders (revenue from such arrangements increased from RMB209.8 million in 2023 (7.3% of total revenue) to RMB785.7 million in 2024 (36.4% of total revenue) and further to RMB1,310.2 million in 2025 (59.5% of total revenue)); and dynamic pricing mechanisms provide a degree of insulation against short-term price volatility, enabling more predictable gross margins. We returned to gross profitability in 2025 with gross profit of RMB155.5 million (gross profit margin of 7.1%), compared to gross loss of RMB87.7 million (gross loss margin of 4.1%) in 2024.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

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

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	2,891,545	2,157,238	2,202,014
Cost of sales			
Cost of sales of goods and services	(2,940,264)	(2,220,357)	(2,042,156)
Impairment losses on inventories	(108,863)	(24,568)	(4,379)
Gross profit/(loss)	**(157,582)**	**(87,687)**	**155,479**
Other income and gains	45,164	40,028	27,613
Selling and marketing expenses	(4,319)	(3,565)	(4,402)
Administrative expenses	(112,677)	(132,041)	(149,755)
Research and development expenses	(99,961)	(77,097)	(95,532)
(Impairment losses)/reversal of impairment losses on financial assets and prepayments, net	(36,937)	328	(2,811)
Other expenses	(47,009)	(9,545)	(12,196)
Finance costs	(57,832)	(60,878)	(77,143)
Share of loss of associates and a joint venture	(164)	(11,684)	(6,054)
Loss before tax	**(471,317)**	**(342,141)**	**(164,801)**
Income tax expense	(65)	(1,458)	(1,675)
Loss for the year	**(471,382)**	**(343,599)**	**(166,476)**

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that the non-IFRS measures facilitate comparisons of operating performance from period to period and company to company.

However, our presentation of the non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The uses of the non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back share-based payment expenses and [**REDACTED**] expenses. We define adjusted EBITDA (non-IFRS measure) as adjusted net loss (non-IFRS measure) adding back depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, net finance costs, and income tax expense. Specifically, share-based payment expenses are non-cash in nature.

The following table sets forth a reconciliation of our adjusted net loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) during the Track Record Period presented in accordance with IFRS, which is loss for the year.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	**(471,382)**	**(343,599)**	**(166,476)**
Add:			
Share-based payment expenses	11,013	9,567	12,015
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	**(460,369)**	**(319,130)**	**(149,871)**

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	(471,382)	(343,599)	(166,476)
Add:			
Depreciation of property, plant and equipment	44,727	71,824	84,673
Depreciation of right-of-use assets	4,430	11,314	11,546
Amortization of intangible assets	266	305	322
Net finance costs	55,318	57,769	73,146
Income tax expense	65	1,458	1,675
EBITDA (non-IFRS measure)	**(366,576)**	**(200,929)**	**4,886**
Add:			
Share-based payment expenses	11,013	9,567	12,015
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (non-IFRS measure)	**(355,563)**	**(176,460)**	**21,491**

We recorded gross losses of RMB157.6 million and RMB87.7 million in 2023 and 2024, respectively. During the same periods, we incurred net loss of RMB471.4 million and RMB343.6 million, respectively. Our gross and net losses in 2023 and 2024 were primarily a result of a significant decline in the market prices of our major products during the Track Record Period. In particular, the average selling price of our lithium recycled products decreased from approximately RMB196,443 per ton in 2023 to approximately RMB72,594 per ton in 2024, while the average selling price of our cobalt recycled products decreased from approximately RMB32,273 per ton in 2023 to approximately RMB25,158 per ton in 2024. The decline in selling prices resulted in (i) a pricing mismatch, as the raw materials we purchased at higher prices were processed and sold as finished products at lower prevailing market prices, and (ii) impairment losses on inventories of RMB108.9 million in 2023 and RMB24.6 million in 2024, as the net realizable value of our inventories fell below their carrying amounts. In addition, the ramp-up of our new production lines and increases in expenses due to business expansion also contributed to our gross and net losses since 2023. Notwithstanding the foregoing, our gross loss narrowed from RMB157.6 million in 2023 to RMB87.7 million in 2024, primarily reflecting (i) the significant reduction in inventory impairment losses and (ii) improvements in our production efficiency as production lines reached higher utilization rates.

We recorded revenue of RMB2,202.0 million, gross profit of RMB155.5 million and net loss of RMB166.5 million in 2025, compared to revenue of RMB2,157.2 million, gross loss of RMB87.7 million and net loss of RMB343.6 million in 2024. All of our three core products, namely lithium, nickel and cobalt recycled products, turned from gross loss in 2024 to gross profit in 2025. The improvement from gross loss to gross profit in 2025 was primarily due to (i) the increase in average selling prices of our cobalt recycled products, (ii) the stabilization and partial recovery of selling prices of our lithium and nickel recycled products, (iii) our continuous cost structure optimization, resulting from (a) improved production technology that reduced unit manufacturing costs, (b) enhanced inventory management with average inventory turnover days decreasing from 48 days in 2024 to 36 days in 2025 and more disciplined raw material purchasing aligned with confirmed customer orders, and (c) a significant reduction in inventory impairment losses from RMB24.6 million in 2024 to RMB4.4 million in 2025. However, we continued to incur net loss in 2025, primarily due to (i) an increase in administrative expenses from RMB132.0 million in 2024 to RMB149.8 million in 2025, primarily attributable to increased headcount and professional fees and other expenses associated with the preparation for our [**REDACTED**], (ii) an increase in research and development expenses from RMB77.1 million in 2024 to RMB95.5 million in 2025, as we continued to invest in battery recycling technologies, and (iii) an increase in finance costs from RMB60.9 million in 2024 to RMB77.1 million in 2025, reflecting higher average borrowings to fund our capacity expansion. In aggregate, these below-gross-profit-line items totaled approximately RMB326.8 million, which more than offset the RMB155.5 million gross profit achieved in 2025. Nonetheless, our EBITDA improved significantly from negative RMB200.9 million in 2024 to approximately breakeven at RMB4.9 million in 2025, indicating that our underlying operational performance has substantially recovered.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets	1,929,478	2,402,546	2,393,795
Current assets	1,387,077	1,346,941	1,031,390
Current liabilities	1,557,325	2,303,959	2,069,420

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net current liabilities	**(170,248)**	**(957,018)**	**(1,038,030)**
Total assets less current liabilities	**1,759,230**	**1,445,528**	**1,355,765**
Non-current liabilities	487,264	500,279	385,678
Net assets	**1,271,966**	**945,249**	**970,087**

Our net current liabilities increased from RMB170.2 million as of December 31, 2023 to RMB957.0 million as of December 31, 2024. The increase was mainly due to (i) an increase of RMB690.2 million in interest-bearing bank and other borrowings and (ii) a decrease of trade and bills receivables of RMB116.9 million. Our net current liabilities further increased to RMB1,038.0 million as of December 31, 2025, representing a further increase of RMB81.0 million from December 31, 2024, primarily attributable to (i) a decrease in inventories of RMB186.8 million as we improved inventory turnover days from 48 days in 2024 to 36 days in 2025, and (ii) a decrease in prepayments, other receivables and other assets of RMB91.4 million, partially offset by a decrease in current liabilities. The persistent and growing net current liabilities position reflects our reliance on short-term bank borrowings to fund working capital needs during the Track Record Period.

Our net assets decreased from RMB1,272.0 million as of December 31, 2023 to RMB945.2 million as of December 31, 2024, primarily due to the increase in accumulated losses attributable to loss for the year of 2024 of RMB343.6 million. Our net assets then increased to RMB970.1 million as of December 31, 2025, primarily due to (i) contributions from shareholders of RMB148.0 million in the form of increases in share capital and capital reserve, and (ii) increase in other reserves in the amount of RMB43.3 million arising from fair value changes of equity investments designated as FVOCI and share-based payments incurred in 2025, partially offset by net loss for the year of RMB166.5 million recognized as accumulated losses. For details, see the consolidated statements of changes in equity as set out in Appendix I.

Summary of Consolidated Cash Flow Statements

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

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(58,141)	(187,204)	382,032
Net cash used in investing activities	(922,298)	(511,888)	(88,061)
Net cash generated from financing activities	868,916	652,438	(313,852)
Cash and cash equivalents at the beginning of the year	**211,221**	**99,698**	**53,044**
Net increase/(decrease) in cash and cash equivalents	(111,523)	(46,654)	(19,881)
Cash and cash equivalents at the end of year	**99,698**	**53,044**	**33,163**

In 2023, 2024 and 2025, we recorded net cash used in operating activities of RMB58.1 million and RMB187.2 million, and net cash generated from operating activities of RMB382.0 million respectively, which primarily reflected the negative gross profits in 2023 and 2024 resulting from cash outflows for raw material procurement and production exceeding cash inflows from sales collections. The turnaround to positive operating cash flow of RMB382.0 million in 2025 was primarily attributable to the following factors: (i) the gross profit turnaround (from gross loss of RMB87.7 million to gross profit of RMB155.5 million), (ii) improved working capital management, particularly the reduction in inventory turnover days from 48 days to 36 days, and (iii) an increase in trade payables. Net cash used in investing activities decreased substantially from RMB922.3

million in 2023 and RMB511.9 million in 2024 to RMB88.1 million in 2025, as major capacity expansion capital expenditure was largely completed. As at December 31, 2025, the Group's cash and cash equivalents amounted to RMB33.2 million, compared to RMB53.0 million as at December 31, 2024. The decrease was primarily attributable to the net repayment of bank borrowings of RMB330.0 million during 2025 as the Group proactively reduced its leverage following the completion of major capital expenditure programs, partially offset by the positive operating cash flow of RMB382.0 million generated during the year. The Group believes that its existing cash resources will be sufficient to meet its working capital requirements and capital expenditure needs for at least the next 12 months from the date of this document. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flows."

KEY FINANCIAL RATIOS

	As of December 31,		
	2023	2024	2025
Current ratio (times)(1)	0.9	0.6	0.5
Quick ratio (times)(2)	0.7	0.5	0.4
Liabilities-to-assets ratio(3)	61.6%	74.8%	71.7%

Notes:

(1) Current ratio is calculated based on current assets divided by current liabilities as of the date indicated.

(2) Quick ratio is calculated based on current assets less inventories divided by current liabilities as of the date indicated.

(3) Liabilities-to-assets ratio is calculated based on total liabilities divided by total assets as of the date indicated.

PATH TO PROFITABILITY

We recorded gross losses of RMB157.6 million and RMB87.7 million and net losses of RMB471.4 million and RMB343.6 million in 2023 and 2024, respectively, primarily as a result of the unprecedented decline in market prices of our major recycled products and significant inventory impairment losses. In 2025, we achieved a decisive turnaround: despite our net loss position, we recorded gross profit of RMB155.5 million (gross profit margin of 7.1%), compared to gross loss of RMB87.7 million (gross loss margin of 4.1%) in 2024. This substantial recovery — validating the effectiveness of management's path to profitability strategy, which we will continue to advance — narrowed our net loss and was driven by (i) the increase in average selling prices of our cobalt recycled products, (ii) the stabilization and partial recovery of selling prices of our lithium and nickel recycled products, (iii) our continuous efforts in improving our production technology, resulting in reduced unit manufacturing costs, and (iv) enhanced inventory management through shortened procurement-to-sale cycles, with average inventory turnover days decreasing from 66 days in 2023 to 48 days in 2024 and further to 36 days in 2025, and more disciplined raw material purchasing aligned with confirmed customer orders, leading to a significant reduction in inventory impairment losses from RMB24.6 million in 2024 to RMB4.4 million in 2025. Notably, our gross profit margin showed substantial and accelerating sequential improvement throughout 2025, reaching 7.4% and 12.0% for the third and fourth quarters of 2025, respectively, compared with the gross loss margins of 6.1% and 5.1% for the corresponding periods in 2024, demonstrating a compelling margin expansion trajectory.

Our gross profit is primarily affected by our product prices and cost of raw materials, both of which generally fluctuate in line with the market prices of relevant metallic compounds, namely lithium carbonate, nickel sulfate and cobalt sulfate. According to the F&S Report, the average price of lithium carbonate in lithium-ion battery recycling and reutilization solution market in China experienced unprecedented and significant volatility in recent years, declining by approximately 64.8% from RMB230,000 per ton in 2023 to RMB81,000 per ton in 2024, and further decreased by 16.0% to RMB68,000 per ton in 2025. Importantly, while lithium carbonate prices continued to decline year-on-year throughout 2025, the rate of decline moderated significantly, with prices showing partial recovery since June 2025 and stabilization in the second half of 2025. The average market price of nickel sulfate declined from approximately RMB29,800 per ton in 2023 to RMB25,500 per ton in 2024 and RMB24,700 per ton in 2025. In contrast, the average market price of cobalt sulfate, after declining from approximately RMB34,500 per ton in 2023 to RMB26,900 per ton in 2024, recovered to approximately RMB49,700 per ton in 2025.

We have implemented a series of inventory management optimization measures that have contributed to the improvement in gross margins and the reduction in inventory impairment losses. Average inventory turnover days decreased from 66 days in 2023 to 48 days in 2024 and 36 days in 2025, reflecting our transition towards a "produce-on-demand" model with shorter procurement-to-sale cycles. This reduction in inventory holding periods directly reduced our exposure to commodity price declines, contributing to a significant decrease in inventory impairment losses from RMB108.9 million in 2023 to RMB24.6 million in 2024 and further to RMB4.4 million in 2025. In addition, we have adopted the following procurement strategies to further mitigate price risk: (a) back-to-back pricing arrangements with back-to-back customers (including part of recycled product traders and futures traders), under which the Group locks in both procurement costs and selling prices simultaneously, eliminating price exposure during the production cycle; (b) dynamic pricing mechanism referenced to the spot price index on Guangzhou Futures Exchange or Shanghai Metal Market, with selling prices adjusted at the point of order confirmation or delivery based on prevailing market quotations, under which selling prices are determined with reference to prevailing market prices at the time of delivery; and (c) the adoption of the spot price index on Guangzhou Futures Exchange or Shanghai Metal Market as the primary pricing benchmark for procurement, reducing the lag between market movements and purchasing decisions. As a result, the Group's gross margin improved from 2.4% and 4.8% for the first and second quarters of 2025 to 7.4% and 12.0% for the third and fourth quarters of 2025, respectively, demonstrating enhanced margin predictability.

In addition, the ramp-up of our new production lines and increases in expenses due to business expansion also contributed to our net losses since 2023 and our gross losses in 2023 and 2024.

While we returned to gross profitability in 2025, we continued to record a net loss of RMB166.5 million, primarily because our operating expenses (primarily including administrative expenses of RMB149.8 million, R&D expenses of RMB95.5 million, and finance costs of RMB77.1 million) in aggregate exceeded our gross profit. However, our EBITDA (non-IFRS measure) improved from negative RMB200.9 million in 2024 to approximately breakeven at RMB4.9 million in 2025, indicating that our underlying cash-generating ability from operations has substantially recovered.

We believe our path to net profitability is supported by the following factors: (i) sustained margin improvement — our gross margin of 12.0% in the fourth quarter of 2025 demonstrates that we can achieve double-digit gross margins at current product price levels, and we expect further production efficiency gains as our technically upgraded production lines operate at full capacity; (ii) revenue growth without proportional cost increases — a significant portion of our administrative and R&D expenses is fixed or semi-fixed in nature, meaning gross profit increments flow through to net profit at high incremental margins; (iii) operating cash flow self-sufficiency — our positive operating cash flow of RMB382.0 million in 2025 demonstrates that we are now able to fund our working capital from operations, reducing reliance on external financing; and (iv) expected stabilization in product prices — supported by relatively stable supply conditions in the mining industry with moderate upstream capacity expansion due to policy restrictions and geopolitical factors according to the F&S Report, and continued growth in downstream demand, we expect the prices of our major products to stabilize and gradually recover. For details, see "Financial Information — Path to Profitability."

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Li Brothers controls approximately 55.69% of the voting rights of the Company through (i) Jiangxi Dongliang, a company which is held as to 20.0% by each of the Li Brothers, and holds 21.53% of our total issued and outstanding Shares; (ii) Zhaoqing Shengda, a limited partnership established under the laws of the PRC of which Mr. Li Sen is the general partner and holds 5.37% of our total issued and outstanding Shares; (iii) Zhaoqing Senlong, a limited partnership established under the laws of the PRC of which Mr. Li Sen is the general partner and holds 2.44% of our total issued and outstanding Shares; and (iv) direct beneficial interest held by each of the Li Brothers which in aggregate amounts to 26.35% of our total issued and outstanding Shares. Each of the Li Brothers and Jiangxi Dongliang have entered into the AIC Agreement dated July 22, 2021, supplemented by a supplemental AIC confirmation dated November 16, 2024. Pursuant to the AIC Agreement, each of the parties to the AIC Agreement shall, prior to each Directors' meeting and Shareholders' meeting, consider and reach a consensus beforehand on the matters to be considered at the relevant meeting and to vote in unanimity. If the parties are unable to reach a consensus, the decision of Mr. Li Sen will be taken as the final decision. For further details of the acting in concert arrangement under the AIC Agreement, please see "History and Corporate Structure — Acting in Concert Arrangement."

Immediately following the completion of the [**REDACTED**] and assuming that no new Shares are issued under the [**REDACTED**], and no other changes are made to the issued share capital of the Company from the Latest Practicable Date to the [**REDACTED**], the Li Brothers, Jiangxi Dongliang, Zhaoqing Shengda and Zhaoqing Senlong will be entitled to collectively control the exercise of approximately [**REDACTED**] of the total voting rights of our Company. As such, the Li Brothers, Jiangxi Dongliang, Zhaoqing Shengda and Zhaoqing Senlong constituted as of the Latest Practicable Date and will continue to constitute a group of Controlling Shareholders of our Company immediately upon [**REDACTED**].

For the amount of material continuing connected transactions after [**REDACTED**] and the related historical amounts during the Track Record Period, see "Connected Transactions."

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**], (ii) the [**REDACTED**] for the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of [REDACTED] per Share	**Based on an [REDACTED] of [REDACTED] per Share**
Market capitalization of our H Shares(1)	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets per Share(2)	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**].

(2) The unaudited [**REDACTED**] adjusted net tangible asset per Share as of [December 31, 2025] is calculated after making the adjustments referred to in Appendix II and on the basis that [**REDACTED**] Shares are expected to be in issue immediately upon completion of the [**REDACTED**].

For the calculation of the unaudited [**REDACTED**] adjusted net tangible asset value per Share attributed to our Shareholders, see "Unaudited [**REDACTED**] Financial Information" in Appendix II.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**], after deducting [**REDACTED**] fees and commissions and other estimated expenses paid and payable by us in relation to the [**REDACTED**], assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] range from [**REDACTED**] to [**REDACTED**] per H Share, and that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**], or [**REDACTED**], is expected to be used to pay partial expenses for the construction of our plant for the treatment of retired LFP batteries located at our production base in Ganzhou, Jiangxi Province;
- approximately [**REDACTED**], or [**REDACTED**], for expanding our upstream raw materials resources;
- approximately [**REDACTED**], or [**REDACTED**], for strengthening our research and development capabilities and attracting talents; and
- approximately [**REDACTED**], or [**REDACTED**], for working capital and general corporate purposes.

See "Future Plans and [**REDACTED**]."

DIVIDEND POLICY

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made by our Shareholders and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Shareholders may consider relevant. Currently, we do not have a pre-determined dividend payout ratio.

According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. Our ability to declare and pay dividends will also depend on the availability of dividends received from group companies in the PRC and other jurisdictions. Distributions from our group companies may be restricted if they incur losses or in accordance with any restrictive covenants in bank borrowing or financing agreements that we or our subsidiaries may enter into in the future. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant.

[REDACTED] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] fees and commissions and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. Assuming full payment of the discretionary incentive fee, the estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] of

[**REDACTED**] per H Share and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] will be approximately [**REDACTED**] (including (i) [**REDACTED**] commission and sponsor fees of approximately [**REDACTED**], and (ii) non-[**REDACTED**] related expenses of approximately [**REDACTED**], which consist of fees and expenses of legal advisors and Reporting Accountants of [**REDACTED**] and other fees and expenses of approximately [**REDACTED**]), accounting for approximately of [**REDACTED**] of our [**REDACTED**]. An estimated amount of [**REDACTED**] for our [**REDACTED**] expenses, accounting for approximately [**REDACTED**] of our [**REDACTED**], is expected to be expensed through the statement of profit or loss and the remaining amount of [**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. During the Track Record Period, the [**REDACTED**] expenses charged to our consolidated statements of profit or loss were [**REDACTED**] and the [**REDACTED**] expenses, which were recognized as prepayments and are expected to be deducted from equity upon the [**REDACTED**], were [**REDACTED**].

NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, neither we nor our Directors had been or were 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 impact on the business, financial condition and results of operations of our Group taken as a whole. See "Business — Compliance and Legal Proceedings" for details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Set forth below are certain material developments on our business operations after December 31, 2025, which is the end of the Track Record Period.

The market prices for lithium carbonate, nickel sulfate and cobalt sulfate continued to recover during the four months ended April 30, 2026, averaging RMB139.5 thousand per ton, RMB28.0 thousand per ton and RMB84.4 thousand per ton, respectively. The average selling price of the lithium carbonate, nickel sulfate and cobalt sulfate produced by us for the four months ended April 30, 2026 increased as compared to those of the same period in 2025. Our Directors confirmed that, up to the date of this document, there had been no material adverse change in our financial or operational prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report in Appendix I.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [**REDACTED**] of, and permission to [**REDACTED**] in, (i) the H Shares to be [**REDACTED**] under the [**REDACTED**] of Unlisted Shares into H Shares; and (ii) the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] and upon the exercise of the [**REDACTED**]. We satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB2,202.0 million for the year ended December 31, 2025, which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of the [**REDACTED**], which, based on the [**REDACTED**] of [**REDACTED**] (being the low end of the [**REDACTED**] range stated in this document), exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.