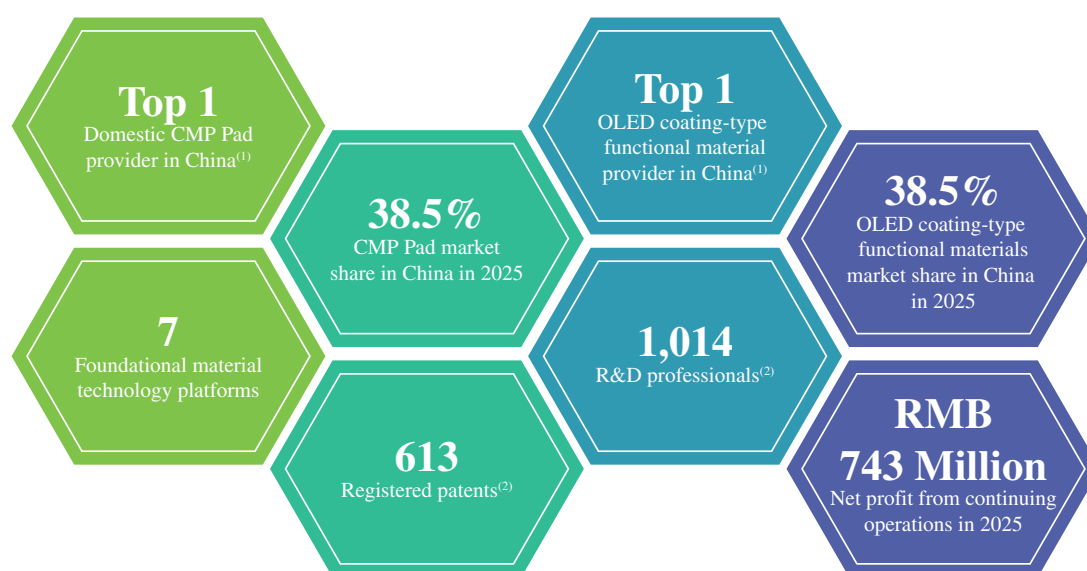


BUSINESS

OVERVIEW

We are an innovative leader in materials application for critical industries in China. We provide upstream integrated materials and solutions for semiconductor industries including chemical mechanical polishing (“CMP”) solutions, semiconductor display materials, lithography materials, and advanced packaging materials. According to Frost & Sullivan, measured by revenue in 2025, we are the largest domestic chemical mechanical polishing pads (“CMP Pads”) provider in China with 38.5% market share, the third largest CMP materials provider in China with 16.8% market share, and the largest OLED coating-type functional materials provider in China with 38.5% market share. We empower our customers’ supply chain localization and technology roadmap to seize the opportunities in megatrends, such as AI and advanced computing. We are also expanding into new high-growth material markets, such as new energy materials and providing printing and copying critical materials. The chart below demonstrates the highlights of our business:



Notes:

(1) As measured by revenue for the year ended December 31, 2025

(2) As of April 30, 2026 and as to continuing operations only

Our Track Record in Innovations

We have a track record of innovations that centered on (i) critical materials application industries for economic development, (ii) upstream-integrated materials, production, application, and evaluation, (iii) independent innovative R&D and IP generation, and (iv) in-house talents cultivation. Our dedication to innovation has enabled successful business transformation of our Company and localization of supply chain for our customers.

- 2012: We achieved the commercial production of color polymerized toner (“CPT”).
- 2016: Phase I of our CMP Pads project commenced production.

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Our Collaboration with Customers

Our customers for semiconductor materials and solutions mainly include integrated device manufacturers (“IDMs”), foundries, and display panel manufacturers. We aim to address customers’ need for secure and stable supply of advanced semiconductor materials and empower technological advancements in semiconductor manufacturing through systematic research capability and collaboration with industry-leading customers. We forge close partnership with our semiconductor customers, working alongside our customers to co-design products, drive rapid iteration, and achieve their technological roadmaps. We have developed deep and broad knowledge in material science, enabling us to provide customer-centric solutions through supply of precisely matched semiconductor materials. In addition, through the strategic acquisition of Hao Fei, we are positioned to serve global leading new energy customers. Our customers for printing and copying critical materials are mainly manufacturers of end-market products, such as toner cartridge and ink cartridge manufacturers.

Our Material Technology Platform

Through years of sustained proprietary R&D and product innovation, we have distilled our technologies and expertise into seven material technology platforms including:

- Organic synthesis technology platform
- Polymer synthesis technology platform
- Physicochemical technology platform
- Inorganic non-metallic materials technology platform
- Microsphere synthesis and foaming technology platform
- Engineering equipment design technology platform
- Materials application and evaluation technology platform

The seven platforms provide foundational technology support across the entire value chain, supporting all stages from raw materials to end products including production equipment, manufacturing processes, quality inspection, and application evaluation. The collaboration and development of technologies across our seven platforms drive the continuous product innovation and performance advancement and enable expansion into new frontiers.

Our Opportunities

AI is profoundly transforming the field of materials application by driving a paradigm shift in R&D toward data- and intelligence-driven methods. This transformation significantly accelerates the materials innovation cycle and stimulates market demand for high-performance materials in key sectors such as semiconductors and new energy.

BUSINESS

We see substantial opportunities and strong demand for semiconductor materials, underpinned by (i) global rebalancing of semiconductor supply chain and demand for critical material supply, (ii) strong semiconductor chip demand accelerated by AI development, and (iii) development in advanced packaging and new chip architecture. According to Frost & Sullivan, from 2026 to 2030, the China market for CMP materials is expected to grow at a CAGR of 16.1% from RMB9.7 billion to RMB17.6 billion; the China market for OLED coating-type functional materials is projected to expand at a CAGR of 10.8% from RMB1.5 billion to RMB2.3 billion; the China market for semiconductor wafer photoresists is expected to increase at a CAGR of 11.1% from RMB8.6 billion to RMB13.1 billion; and the China market for semiconductor advanced packaging materials is anticipated to grow at a CAGR of 12.0% from RMB23.2 billion to RMB36.5 billion.

We are also actively capitalizing on the robust growth of the new energy materials market, fueled by transformative applications of materials in areas such as new energy vehicles, grid-scale storage, AI data centers, low-altitude economy, and robotics. According to Frost & Sullivan, the market for lithium battery functional auxiliary materials in China is expected to expand from RMB35.2 billion in 2026 to RMB63.0 billion in 2030, representing a CAGR of 15.7%.

Our Financial Performance

During the Track Record Period, we experienced significant growth in our operating results. We recorded revenue from continuing operations of RMB1,305.3 million, RMB1,953.4 million, RMB2,467.6 million, RMB723.8 million and RMB1,090.3 million in 2023, 2024, and 2025, and for the four months ended April 30, 2025 and 2026, respectively. Among these, our revenue contribution from semiconductor materials and solutions out of our total revenue was 73.4%, 81.8%, 86.5%, 85.6%, and 78.5%, respectively. In addition, our net profit margin from continuing operations was 17.6%, 27.5%, 30.1%, 29.0% and 32.3% in 2023, 2024, and 2025, and for the four months ended April 30, 2025 and 2026, respectively.

OUR COMPETITIVE STRENGTHS

A Leading Semiconductor Materials and Solutions Provider in China

We are a leading semiconductor materials and solutions provider in China. According to Frost & Sullivan, measured by revenue in 2025, we are the largest domestic CMP Pads provider in China with 38.5% market share, the third largest CMP materials provider in China with 16.8% market share, and the largest OLED coating-type functional materials provider in China with 38.5% market share. As of the Latest Practicable Date, we were the only domestic supplier in China with end-to-end proprietary capabilities in the research, development, and manufacturing processes of CMP Pads.

We have gained wide recognition from industry leading customers. Our CMP materials have been extensively used by China’s leading semiconductor manufacturers and received Excellent Supplier Awards from multiple top-tier foundries. We serve five of the world’s top eight OLED manufacturers with our semiconductor display materials, acting as the strategic supplier to some of them. Building on trust, our customers have tasked us with spearheading the development of next-generation semiconductor materials to secure both their technological roadmaps and supply chain alternatives.

BUSINESS

Our business spans CMP innovations and technological frontiers that few domestic companies venture into, including CMP solutions for large-diameter silicon wafers, third-generation semiconductors, and advanced packaging. For instance, our DR9510 CMP Pads for silicon carbide substrates features a PET-reinforced porous structure that effectively prevents substrate damage while balancing material removal rates with surface integrity. In the field of advanced packaging, our CMP Pads address the demands for high-efficiency, low-defect polishing across diverse layers including copper (Cu), tungsten (W), and dielectrics. They serve as critical materials for the planarization of key structures such as through-silicon vias (“TSVs”) and redistribution layers (“RDLs”). We have also entered into collaboration agreements with multiple international customers for CMP materials and semiconductor display materials and are actively advancing product validation.

We have also received prestigious industry awards and played an influential role in localization of critical semiconductor materials in China. We have been recognized as one of the “Top 50 in China’s Electronic Materials Industry” and a “Top 10 Electronic Chemical Materials Specialist” in the 5th industry ranking. Our PSPI product earned prestigious accolades including the 2024 DIC International Display Material Innovation Gold Winner and the China Electronic Materials Industry Association’s Outstanding Contribution Award.

Comprehensive Product Portfolio for Critical Markets

We provide a comprehensive portfolio of semiconductor materials spanning from front-end fabrication to back-end packing. We provide a suite of core CMP materials (CMP Pads, CMP Slurry and Cleaning Solutions) serving wide technological nodes, from mature to advanced. Our CMP materials mark a major milestone in localizing China’s semiconductor material supply chain, filling a critical void in the domestic market. This advancement has established our technological leadership and sets a new standard for independent CMP material innovation, earning the strong trust of leading semiconductor customers.

As critical enablers for flexible OLEDs which are widely used in various end devices, our YPI and PSPI materials address a market long dominated by overseas players. By overcoming this dependence, we have established ourselves as a key domestic supplier for OLED coating-type materials. We continue to satisfy customers’ diverse product specification requirements through a comprehensive portfolio of YPI innovations, delivering proven excellence across five core dimensions: high modulus, optimized curing efficiency, exceptional thin-film capability, robust adhesion, and high solid content. Simultaneously, our PSPI portfolio expands capabilities with PFAS-free, high-resolution, high-planarity, and ultra-thin film solutions, engineered to address evolving market demands. We are also strategically advancing our portfolio of critical materials for next-generation displays, including liquid crystal display (“LCD”) and Micro-LED. Within LCD, we have developed multiple polyimide (“PI”) alignment agent formulations, spanning both photo-alignment and rubbing alignment technologies. Achieving end-to-end autonomy from monomer synthesis to slurry production, these products have been validated by leading global panel manufacturers.

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Furthermore, through strategic partnerships with industry-leading customers, we have successfully expanded into high-end wafer photoresists including KrF and ArF photoresists and critical auxiliary materials such as bottom anti-reflective coating (“**BARC**”) and spin-on carbon (“**SOC**”). KrF and ArF photoresist are critical semiconductor materials widely used in technology nodes from 0.25μm to 7nm. We have built China’s first full-process high-end wafer photoresist mass production line spanning across organic synthesis, polymer synthesis, purification, and formulation, which is now in stable volume production.

As of April 30, 2026, we had launched over 100 CMP materials, over 40 high-end wafer photoresists, over 20 display materials, and approximately ten advanced packaging materials.

Deep Collaboration with Industry Leading Customers

We seek to address customers’ complex needs in an integrated manner and deliver effective customized solutions in the form of precisely matched semiconductor materials. We earn customer trust by consistently delivering stable, secure products and responsive, effective service. This trust enables us to forge close partnership with industry leading semiconductor customers, working alongside our customers to co-design products, drive rapid iteration, and conduct forward-looking R&D in semiconductor materials to achieve their technology roadmaps. During the Track Record Period, we established close partnership with three of the world’s top ten pure-play wafer foundries and five of the world’s top eight OLED manufacturers. A prime example is our collaboration with a top eight OLED manufacturer to co-engineer both the critical raw materials and the scalable manufacturing process for PSPI. This initiative successfully localized PSPI production in China, enhancing autonomy for domestic supply of this critical OLED material. The deep collaboration forms the cornerstone for our strategy as an innovative leader in material science, enabling our expansion into other critical semiconductor material segments and ensuring our long-term, sustainable growth.

We boast long-standing partnerships with our customers. For our five largest customers in 2025, the average duration of our cooperation exceeds seven years. As critical inputs to our customers’ manufacturing processes, our materials drive strong customer retention and renewals. Transitioning from our materials may involve significant costs, considerable time investment and potential risk to the manufacturing process.

Proprietary Full-Process Technologies Starting from Core Raw Materials

We pride ourselves in maintaining full proprietary control over our technologies and a manufacturing process starting from core raw materials. As of April 30, 2026, for continuing operations only, we had obtained 613 patents, including 333 invention patents, 209 utility model patents and 71 design patents.

We maintain full in-house control over our products, leveraging proprietary technologies across production process from core raw materials to finished products. For example, leveraging our technology accumulation in organic synthesis, polymer synthesis, and physicochemical, we initiated R&D for CMP Pads in 2012 and successfully mass produced in 2016. We command technology to develop and self-produce all core raw materials in the production of CMP Pads and CMP Slurry, including prepolymers, microsphere, ultra-pure silica sol abrasive particles, high-purity silica sol abrasive particles, alumina abrasive particles, ceria abrasive particles, among others. This helps eliminate our reliance on external suppliers and ensure supply chain security for our customers.

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Our integrated supply chain delivers multiple strategic advantages: (i) ensuring autonomous, secure, and stable production, (ii) fulfilling the industry’s need for reliable supply and quality, (iii) delivering cost benefits at scale, and (iv) allowing for deep customization starting from raw materials. This approach has fundamentally enhanced the competitiveness of our products, driving successful expansion of semiconductor material categories from CMP Pads to CMP solutions and further into new material categories.

Material Science and Engineering Expertise Rooted in Systematic R&D Capability

We are dedicated to critical innovative materials, where technological breakthroughs and industrial-scale production are realized through our systematic R&D capability. This builds a platform capability that enables our development of diverse innovative materials across multiple industries. Since inception, we have built an organic synthesis technology platform and polymer synthesis technology platform to independently develop CPT. The successful commercialization of these products provided the impetus to branch into more material applications, and this cycle of technological accumulation and expansion has continued ever since.

Today, we distill over two decades of experience in material science and engineering into seven technology platforms spanning organic synthesis, polymer synthesis, physicochemical, inorganic non-metallic materials, microsphere synthesis and foaming, engineering equipment design, and material application and evaluation.

Serving as a strategic accelerator, our technology platform channels deep expertise into new projects. This translates into compressed development cycles and superior market agility, enabling faster, more reliable product launches. This is evidenced by a steady cadence of successful launches and category entries, including CMP Pads (2016), YPI (2020), PSPI and CMP Slurry (2021), Packaging PI (2023), and KrF/ArF photoresist (2024).

Visionary Management with Proven Track Record of Innovation

We have a proven leadership team with an average of over 25 years of industry experience. Their innovative mindset, coupled with deep insight into technology, markets, and customer demands, has fueled a history of successful business transformations.

We are led by our co-founders, Chairman, Executive Director Mr. Zhu Shuangquan and Executive Director, General Manager Mr. Zhu Shunquan, both of whom have extensive experience in material science and strategic vision on critical markets for China’s development. Our co-founders’ unwavering commitment to innovation and their forward-looking market vision have consistently driven our strategic advancement and business evolution. Each key decision has been transformed into new market opportunities and growth drivers. Starting with the determined launch of R&D for CPT in 2006, then to entering the semiconductor materials field with the development of CMP Pads in 2012, advancing into flexible display substrate materials with the research of YPI in 2015, commencing the R&D of Cleaning Solutions in 2017, commencing the R&D of CMP Slurry in 2021, moving into wafer photoresist in 2022, and acquiring Hao Fei in 2026 to enter the new energy materials sector, while simultaneously optimizing the printing and copying critical materials business to focus on the core semiconductor materials segment. Their strategic perseverance and vision have consistently guided us from being a technology follower to becoming an innovation leader in critical material fields. They have been instrumental in instilling an innovative, efficient, transparent, and forward-looking corporate culture.

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Dr. Xiao Guilin, our Deputy General Manager, joined our Company in 2008 upon obtaining his Ph.D. from Wuhan University. Dr. Xiao spearheaded China’s 863 Program on “Preparing Color Toner via In-Situ Emulsion Polymerization.” This initiative led to the pioneering development in 2011 of high-performance color toner, backed by full proprietary intellectual property rights. Since then, Dr. Xiao has led continuous, in-house R&D initiatives, propelling a series of breakthroughs through sustained independent innovation. Under his leadership, the team has achieved critical advances in semiconductor CMP materials and flexible display panel substrate materials like YPI, progressing from benchmarking against global leaders to becoming a global leader itself. Dr. Xiao’s deep-rooted R&D expertise and his proven track record in leading teams to overcome core technological challenges stand as both a cornerstone and a driving force of our independent innovation capabilities.

Our management team’s unwavering commitment to innovation underpins the development of a world-class R&D infrastructure. As of April 30, 2026, we employed 1,014 R&D professionals, representing over one-third of our total employees. This talent density ensures that approximately one in every three employees is dedicated to R&D, with approximately 760 of them holding a bachelor’s degree or above. Reinforcing this organizational capability, we have invested RMB1.4 billion in R&D during the Track Record Period, representing 20.5% of our total revenue.

OUR GROWTH STRATEGIES

We are guided by the corporate mission of “Materials Driving Innovation, Innovation Leading the Future,” committed to becoming a globally leading innovative materials platform company. Together with our customers, we pursue positive and sustainable growth and strive to achieve sustainable development.

We focus on strengthening our development foundation through underlying technology platforms, enhancing core capabilities through end-to-end independent R&D, sustaining development through our talent system, and capturing growth potential through industrial synergy. We are continuously advancing from a leading domestic supplier of key innovative materials to a globally trusted strategic partner. Leveraging our replicable, iterative, and scalable materials R&D and industrialization capabilities, we continuously broaden our industrial boundaries and capture long-term growth momentum.

Leveraging Our Technology Platforms to Facilitate Cross-Sector Development

The core support for our cross-sector business expansion comes from our underlying independent and autonomous technology platforms and our modular technology reuse capabilities. Built on seven foundational materials technology platforms covering organic synthesis, polymer synthesis, inorganic non-metallic materials, and physical chemistry, and supported by the technical expertise of a professional R&D team of over 1,000 employees, we continuously refine our multi-category product portfolio through both the iteration of mature products and the strategic development of frontier technologies. This enables the efficient cross-sector deployment of underlying materials technology, allowing us to establish a strong presence in high-growth sectors such as semiconductor materials and new energy materials.

For CMP materials, we have established a comprehensive portfolio of core materials. We continue to upgrade CMP Pads while simultaneously developing a full range of CMP Slurry, Cleaning Solutions, and other products. We are also further expanding our presence in application scenarios including large silicon wafers, third-generation semiconductors, and advanced packaging.

BUSINESS

For semiconductor display materials, we ensure stable supply growth for core products including YPI, PSPI, and thin-film encapsulation ink (“**TFE-INK**”), while focusing our R&D efforts on next-generation products such as PFAS-free PSPI, black pixel definition layer materials, and low-dielectric thin-film encapsulation materials. We are proactively expanding our presence in key innovative materials for medium and large-size displays including LCD and Micro-LED.

For high-end wafer photoresist, we have developed KrF and ArF photoresists covering the full range of process nodes for domestic wafer fabs, while developing auxiliary materials such as BARC and SOC. We will further strengthen our technology platforms and product upgrading, accelerate localization of high-end photoresists and their auxiliary materials, and advance ecosystem collaboration and application expansion to reinforce our leading position in the industry.

For advanced packaging materials, we are aligned with the evolution of 2.5D/3D packaging technologies. With advanced Packaging PI and TBA as key core breakthrough areas, we continue to refine our portfolio of key advanced packaging materials.

For lithium battery materials, we have entered this sector through industrial acquisition, extending our existing mature materials technology into multiple application scenarios for lithium batteries, achieving cross-domain technology extension and business expansion. We are accelerating the deployment of high-end lithium battery materials including separator binders, solid-state electrolytes, and new interface materials, thereby creating a new engine for growth.

Concentrating on End-to-End Independent R&D to Forge Core Competitive Barriers

Driven by the strong demand driven by AI, high-performance computing, and data center construction, the global semiconductor industry continues its upward trajectory. Our strategic sectors, including semiconductor manufacturing, advanced packaging, and new energy materials, continue to see market expansion. We are steadily advancing large-scale capacity construction and category expansion plans, strengthening our end-to-end independent R&D and manufacturing capabilities, and building core competitive barriers across the value chain.

Regarding capacity deployment, we are steadily advancing capacity release and expansion upgrades across all business segments. For CMP materials, we are executing the capacity expansion plans in China and deepening cooperation with mainstream domestic wafer fabs. Meanwhile, we are advancing the construction of a production base in Malaysia to capture overseas market demand for CMP materials and enhance our participation in global competition. For lithium battery functional auxiliary materials, we are focusing on the deployment of dispersants, separator binders and supporting raw material projects, as well as binder projects for lithium batteries, steadily scaling up production capacity.

Regarding supply chain assurance, we have made independent control of core raw materials a central business strategy, effectively mitigating risks from external supply chain volatility. Regarding CMP materials, we have achieved in-house R&D and production of key raw materials including CMP Pads prepolymers, microspheres, and core abrasive particles for CMP Slurry. Regarding high-end wafer photoresist, we have completed full-process independent R&D and scaled-up production of core components including specialty resins, functional monomers, and photoacid generators (“**PAG**”).

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Leveraging our integrated full-chain R&D, production, and support capabilities, we are strengthening our market foundation through capacity expansion and building technical barriers through in-house raw material development. We are continuously upgrading our one-stop comprehensive materials supply capabilities, driving the transformation from a single-product supplier to an integrated innovative materials solutions provider, and consolidating our long-term core competitive advantages.

Enhancing the Talent System and Deepening Customer Collaborative Partnerships

Talent is the cornerstone of our technological innovation and business expansion. Centered on our multi-sector positioning and globalization strategy, we have established a systematic talent recruitment, development, retention, and incentive mechanism. We continuously attract high-end R&D and international management talent, building a professional and versatile innovative talent pipeline. We have implemented a diversified compensation and benefits system and established a tiered equity incentive mechanism. Employee stock ownership is differentiated based on each business entity, closely aligning the interests of core teams with the development of each business segment.

Our customer development strategy of “independent innovation, full-chain collaboration, and deep alignment” is supported by our comprehensive talent system. In each core sector, we have self-built application evaluation centers, relying on customers’ actual production lines to conduct product verification and process adaptation, effectively improving R&D efficiency, shortening product iteration cycles, and strengthening product-process compatibility.

We consistently orient our R&D and commercialization efforts around customer needs. Through high-standard application verification, joint development mechanisms, and rapid iteration capabilities, we continuously improve customer onboarding efficiency and product deployment success rates, enhance customer stickiness, build long-term stable strategic partnerships, and steadily elevate our industry brand reputation.

Expanding the Global Business Footprint to Capture Long-Term Growth Momentum

We are continuously optimizing our capacity, R&D, and global market presence, accelerating the construction of a Malaysia-based R&D center and production base, and building an international operations system that integrates market development, technical services, localized production, and cross-border management. Through refined and digitalized cross-border management, we ensure efficient global business coordination and drive the deep participation of our full product portfolio in global industrial collaboration. As the global semiconductor and new energy industry chains trend toward regionalization and localization, and with the support of the international capital platform and brand advantages brought by the proposed [REDACTED] in Hong Kong, our overseas business will progressively transition from an early-stage strategic initiative to a core pillar of performance growth.

On the foundation of steady organic growth, we adhere to a dual-engine development model of “organic R&D as the primary driver, supplemented by external expansion.” Guided by core principles of technology synergy, industrial chain complementarity, customer resource sharing, and platform capability reuse, we prudently select targets for industrial investment, acquisition, and strategic cooperation. Through diverse approaches including industrial investment and joint ventures, we continuously extend our innovative materials industrial footprint, cultivating multiple drivers of sustainable long-term growth.

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OUR PRODUCTS AND SOLUTIONS

Our business primarily focuses on semiconductor materials and solutions, printing and copying critical materials, and new energy materials and others. Under semiconductor materials and solutions, we primarily offer (i) CMP solutions, including CMP Pads, CMP Slurry, and Cleaning Solutions; (ii) semiconductor display materials, including YPI, PSPI, and TFE-INK; and (iii) advanced semiconductor materials and others, primarily including high-end wafer photoresists (such as KrF and ArF photoresist) and advanced packaging materials (such as Packaging PI and TBA). Under printing and copying critical materials, we mainly offer CPT. In addition, under new energy materials and others, we mainly offer lithium battery functional auxiliary materials.

We provide a systematic and synergistic material product portfolio and comprehensive solutions. Taking our semiconductor materials business as an example, we are not limited to providing a single category of materials, but have progressively developed a diversified product portfolio encompassing CMP Pads, CMP Slurry, Cleaning Solutions, YPI, PSPI, TFE-INK, high-end wafer photoresist, Packaging PI and TBA around key stages such as wafer fabrication, display panel manufacturing, and advanced packaging. These products are typically not isolated from each other during customer qualification, but require coordinated development and continuous optimization with reference to specific process conditions, performance metrics, and mass production requirements.

We customize products by working closely with customers from development and validation through volume ramp-up. Through direct sales, on-site technical service and regular technical communications, we identify customers’ technology roadmaps, process nodes and performance requirements, and translate them into tailored formulation, manufacturing and quality-control parameters. Our materials are continuously optimized based on customer qualification feedback and process conditions, including coordinated CMP Pads, CMP Slurry and Cleaning Solutions for planarity, removal rate, defect control and process stability. For example, we co-engineered PSPI critical raw materials and scalable manufacturing processes with a leading OLED manufacturer, and our self-controlled photoresist raw-material capabilities allow us to adjust resin and monomer designs for different formulation requirements. We support this model through application evaluation centers, in-house validation laboratories and dedicated key-customer teams, helping shorten iteration cycles, support qualification and improve product-process compatibility.

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The following table sets forth the details of our primary products from continuing operations:

Business	Products	Applications	Customer Types
Semiconductor Materials and Solutions — CMP Solutions	CMP Pads	Core consumable for CMP processes in integrated circuit manufacturing	IDMs and foundries
	CMP Slurry and Cleaning Solutions		
Semiconductor Materials and Solutions — Semiconductor Display Materials	YPI	Critical materials for OLED display panel manufacturing	Display panel manufacturers
	PSPI		
	TFE-INK		
Semiconductor Materials and Solutions — Advanced Semiconductor Materials and Others	KrF Photoresist	Critical materials for lithography processes in integrated circuit manufacturing	IDMs and foundries
	ArF Immersion (“ArFi”) Photoresist		
	Packaging PI	Critical materials for semiconductor advanced packaging processes	Outsourced semiconductor assembly and test companies and wafer fabs
	TBA		
	Integrated Circuit Chips	Chips for printing and copying general consumables	End-market toner cartridge and ink cartridge manufacturers for printing and copying consumables
Printing and Copying Critical Materials	CPT	CPT for printing and copying general consumables	Toner cartridge manufacturers for the printing and copying consumables end-market
New Energy Materials and Others	Lithium Battery Dispersants	Critical functional process auxiliary materials for lithium batteries	Power battery and energy storage battery manufacturers
	Lithium Battery Binders		

BUSINESS

Semiconductor Materials and Solutions

We provide semiconductor materials and solutions that address customers’ diversified needs across critical manufacturing processes, enhance supply chain resilience, and support next-generation product and technology development. We provide a product portfolios and are able to continuously conduct customized development and product iteration in accordance with customers’ technology roadmaps and process nodes. In addition, with our deep and broad knowledge in material science, enabling us to provide customer-centric solutions through supply of precisely matched semiconductor materials.

Chemical Mechanical Polishing Solutions

We provide core CMP materials to downstream IDMs and foundries, continuously enhancing our systematic product supply capabilities, professional technical service capabilities, and comprehensive solution capabilities in the CMP stage. We are the first and the only comprehensive CMP material provider in China covering all semiconductor CMP core materials, as of the Latest Practicable Date. Our CMP material portfolio primarily comprises CMP Pads, CMP Slurry, and Cleaning Solutions, which are primarily used in CMP processes in semiconductor wafer fabrication. The CMP process is one of the critical steps in wafer fabrication, playing an important role in achieving high planarity, low roughness, and low defectivity on wafer surfaces. Our CMP materials provide significant substrate quality assurance for critical process stages in downstream semiconductor manufacturing, including lithographic focus accuracy, electron migration in multi-layer interconnect structures, and linewidth control.

According to Frost & Sullivan, CMP materials account for approximately 7% of the total cost of integrated circuit manufacturing materials, of which CMP Pads, CMP Slurry and Cleaning Solutions collectively account for over 85% of the cost of CMP materials. The CMP materials market in which we operate is experiencing sustained growth, driven by the rapid development of semiconductor manufacturing. According to Frost & Sullivan, the global CMP materials market reached RMB35.6 billion in 2025 and is expected to increase at a CAGR of 11.1% from RMB42.0 billion in 2026 to RMB64.0 billion in 2030. The China CMP materials market reached RMB8.2 billion in 2025 and is expected to grow at a CAGR of 16.1% from RMB9.7 billion in 2026 to RMB17.6 billion in 2030.

CMP Pads

CMP Pads are one of the core consumables in the CMP process, typically in the form of circular disc-shaped pads, used in conjunction with CMP Slurry and Cleaning Solutions to achieve wafer surface material removal and planarization through the synergistic effects of mechanical and chemical actions. The performance of CMP Pads directly affects material removal rate, surface planarity, surface roughness, defect control, and process stability, making them a critical material influencing wafer manufacturing yield and process consistency. Leveraging our long-term technology accumulation and industrialization capabilities, as of the Latest Practicable Date, we had become the only domestic CMP Pads supplier in China that fully masters the core R&D technologies and production processes across the entire CMP Pads production chain.

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During the Track Record Period and up to the Latest Practicable Date, our CMP Pads primarily comprised the following series:

Product Category	Key Compositions	Application Scenarios	Product Description
Hard CMP Pads	Primarily thermoplastic polyurethane, combined with microspheres, cushion pads, and other key components	Covering the full range of semiconductor front-end wafer fabrication, back-end packaging, silicon wafer polishing, and third-generation semiconductor polishing processes	Used for CMP Slurry storage and transportation, removal of polishing residue, and maintenance of a stable polishing environment. Used in conjunction with CMP Slurry, it removes wafer surface materials through the synergistic effects of mechanical friction and chemical corrosion to achieve nanometer-level planarity. Product sizes cover 8-inch and 12-inch wafer polishing, with process nodes meeting the full range of requirements from mature to advanced processes of domestic wafer fabs.
Soft CMP Pads	Primarily thermoplastic polyurethane, combined with non-woven fabric or PET substrate as the support layer	Covering the full range of semiconductor front-end wafer fabrication, back-end packaging, silicon wafer polishing, and third-generation semiconductor polishing processes	Primarily used for fine polishing and final polishing; compared to hard pads, soft pads have better surface conformity, which can reduce scratches and improve surface finish. Product sizes cover 8-inch and 12-inch wafer polishing, with process nodes meeting the full range of requirements from mature to advanced processes of domestic wafer fabs.

For CMP Pads, we have achieved in-house R&D and production of three core raw materials, including polyurethane prepolymers, microspheres, and cushion pads, which helps ensure product performance consistency, supply stability, and cost competitiveness. We offer CMP Pads products covering different types, including soft pads and hard pads, which can be adapted to various applications such as logic chips, memory chips, and power devices. We also have the capability to simultaneously provide CMP Pads, CMP Slurry, and Cleaning Solutions, enabling us to deliver systematic CMP material solutions to our customers. Furthermore, with years of R&D and application experience in CMP Pads, we are able to rapidly respond to downstream customers’ development needs for new processes, new products, and new application scenarios.

During the Track Record Period, the annual shipment volume of our CMP Pads increased from over 100 thousand pieces to over 400 thousand pieces. The continuous growth in the shipment volumes of our CMP Pads reflects sustained progress in customer qualification, market acceptance, and product competitiveness. Our CMP Pads are typically quoted and settled on a per-piece basis, with a typical price range of RMB300 to RMB6,000 per piece. Prices for different product models are primarily influenced by factors such as product category, specifications, application scenarios, technical requirements, and the stage of customer certification.

We will further expand our CMP Pad product line to accommodate applications for larger wafer sizes and new materials. Specifically, we are accelerating the development of high-end CMP Pads for large silicon wafer polishing and continuously optimizing material formulations and structural designs in line with advanced process node requirements. Meanwhile, we are also conducting R&D on CMP Pads for compound semiconductors, represented by silicon carbide, with a focus on enhancing material wear resistance, thermal stability, and surface consistency to meet the high-precision processing and high-cleanliness requirements of power devices and third-generation semiconductor manufacturing.

BUSINESS

CMP Slurry and Cleaning Solutions

CMP Slurry and Cleaning Solutions constitute the critical materials in the CMP process. CMP Slurry is a colloid with uniformly distributed particles that controls the removal efficiency, selectivity, defect performance, and surface quality of different materials through formulation design and chemical reaction kinetics, meeting the stringent requirements for planarization and precision processing at each stage of wafer fabrication. Cleaning Solutions are primarily used for post-CMP surface cleaning, effectively removing particles, organic residues metal oxides, and metal ion residues to prevent cross-contamination and enhance process stability.

We have built a comprehensive product mix of multi-category CMP Slurry and Cleaning Solutions covering process nodes from mature to advanced. Our CMP Slurry products can be applied to multiple materials including silicon-based materials, dielectric materials, and metal materials, and can be widely used for memory devices, logic devices, and other semiconductor manufacturing scenarios, with the ability to provide customized product solutions based on customers’ different process nodes, structural designs, and performance specifications. Our Cleaning Solutions products can be categorized by material system into (i) the metallic type, which suitable for post-CMP cleaning of metal materials, such as Cu, W and Al, and (ii) the non-metallic type, which is used for post-CMP cleaning of non-metallic materials such as polysilicon and silicon nitride. Our Cleaning Solutions achieve a balance between cleaning efficiency and material protection to meet the cleaning requirements of complex structures and different process nodes.

During the Track Record Period and up to the Latest Practicable Date, our CMP Slurry and Cleaning Solutions primarily comprised the following series:

Product Category	Key Compositions	Application Scenarios	Product Description
Silicon-based Material CMP Slurry	A liquid solution formed with nano-abrasive particles (abrasives) as the core, combined with deionized water, pH regulators, dispersants, oxidizers, and other components	Primarily used for removal and planarization of polysilicon, silicon nitride, and silicon substrate materials	In the CMP process, chemical additives soften the film to be polished, followed by controlled thinning through the mechanical grinding action of abrasives and CMP Pads. Within our CMP Slurry product line, we have achieved in-house R&D and production of four types of abrasive particles, with products covering process nodes from mature to advanced and all categories.
Dielectric Material CMP Slurry		Primarily used for removal and planarization of dielectric layer materials such as silicon oxide	
Metal Material CMP Slurry		Primarily used for removal and planarization of metal materials such as W, Cu, copper barrier layers, and aluminum gates	
Metallic Post-CMP Cleaning Solutions	A liquid solution formed from components such as organic amines, organic acids, organic bases, and alkaloids	Primarily used for post-CMP cleaning of metal materials such as Cu, W and Al	Used for removing residual fine particles, organic residues metal oxides, inorganic matter, metal ions, oxides, and other contaminants from wafer surfaces to meet the stringent cleanliness requirements of integrated circuit manufacturing.
Non-metallic Post-CMP Cleaning Solutions		Primarily used for post-CMP cleaning of polysilicon and silicon nitride, covering a wide range of front-end planarization process applications	

BUSINESS

We have achieved the in-house development and mass production of multiple key abrasive particles. As one of the core raw materials of CMP Slurry, abrasive particles have a significant impact on the slurry’s polishing performance, stability, and consistency, and also account for a major portion of its material cost. Through independent preparation of abrasive particles, we have enhanced the security, stability, and cost efficiency of our CMP Slurry supply chain, while collaborating closely with domestic supply chain partners to establish a secure and resilient supply system. Moreover, leveraging the controllability of our self-developed abrasive particles, we are able to customize CMP Slurry formulations to meet specific customer process requirements, thereby strengthening the core competitiveness and technological leadership of our CMP Slurry products.

In addition, for CMP Slurry, through formulation optimization and process coordination, we are also able to achieve efficient removal, optimized selectivity, and surface quality control for different material systems. For Cleaning Solutions, focusing on different material systems including copper, tungsten, aluminum, polysilicon, and silicon nitride, we have built a product matrix covering metallic and non-metallic post-CMP cleaning scenarios. Our products achieve removal of particles, organic residues, and metal contaminants while maintaining compatibility with a wide range of materials including copper, tungsten, aluminum, SiN, TEOS, TiN, and Co, featuring low metal corrosion rates, excellent defect control capabilities, and high reliability, addressing customers’ process requirements for complex structures and multi-layer material systems.

Leveraging the combined capabilities of CMP Pads, CMP Slurry, and Cleaning Solutions, we are able to provide customers with more targeted and systematic CMP material solutions. We also maintain on-site technical service personnel who can rapidly respond to customers’ needs in new processes, new materials, and process optimization, providing timely technical support and solutions to continuously improve customers’ process stability, yield, and reliability.

During the Track Record Period, the annual shipment volume of our CMP Slurry and Cleaning Solutions was in the thousands of tons. Our CMP Slurry and Cleaning Solutions are typically quoted and settled on a per-kilogram basis. Depending on specifications, volume, product complexity, and functionality, the typical selling prices of our CMP Slurry and Cleaning Solutions range from RMB25 to RMB350 per kilogram.

For CMP Slurry and Cleaning Solutions, we are actively extending from integrated circuit manufacturing into related applications, having expanded our product portfolio from wafer fabrication processes to silicon wafer polishing, third-generation semiconductor material polishing, and advanced packaging polishing. Through formulation system optimization and accumulated application validation, we are continuously strengthening our product development capabilities for different material systems and process scenarios, further enriching our product structure and enhancing our market coverage and competitiveness in new materials and new process domains.

Semiconductor Display Materials

We have developed a product portfolio encompassing three categories of core OLED coating-type functional materials: YPI, PSPI and TFE-INK. These products are respectively applied in critical stages of flexible OLED manufacturing, including substrate preparation, patterning processes, and thin-film encapsulation processes, with strong process relevance and synergy. With our expertise in display panel manufacturing processes, material performance requirements, and customer-side process compatibility needs, we are committed to providing customers with semiconductor display materials covering multiple critical process stages to meet their comprehensive needs in terms of performance, stability, supply assurance, and cost control.

BUSINESS

Currently, our YPI, PSPI and TFE-INK have achieved volume sales, and we have become the primary supplier of YPI and PSPI for certain leading domestic display panel customers, establishing our leading position as a domestic supplier of YPI and PSPI. With the continued growth of the global flexible OLED market and the increasing market share of domestic display panel manufacturers, key upstream materials for flexible OLED possess strong growth potential. According to Frost & Sullivan, the global OLED coating-type functional materials market reached RMB2.4 billion in 2025 and is expected to grow at a CAGR of 9.5% from RMB2.5 billion in 2026 to RMB3.6 billion in 2030. The China OLED coating-type functional materials market reached RMB1.4 billion in 2025 and is expected to grow at a CAGR of 10.8% from RMB1.5 billion in 2026 to RMB2.3 billion in 2030.

During the Track Record Period and up to the Latest Practicable Date, our semiconductor display materials primarily comprised the following categories:

<u>Product Category</u>	<u>Key Compositions</u>	<u>Application Scenarios</u>	<u>Product Description</u>
YPI	A polyamic acid solution formed by polycondensation of reactive diamines, dianhydrides, functional additives, NMP, and other components	OLED display panel manufacturing	Features excellent high-temperature heat resistance, good mechanical properties, and outstanding chemical stability. During front-end OLED panel manufacturing, the polyamic acid solution undergoes certain procedures to form a polyimide YPI thin film, replacing the glass substrate material used in rigid screens, achieving the transition from rigid to flexible form factors with thinner panels, improved shock resistance, and enhanced flexibility. Our YPI products cover two major types: high-solid-content/high-viscosity and medium-solid-content/medium-viscosity, accommodating different customer requirements for process and cost control.
PSPI	A liquid paste formed with polyimide precursor resin as the core, combined with photosensitizer, leveling agent, solvents, and other components	OLED display panel manufacturing	Features excellent thermal stability, mechanical properties, and chemical and photosensitive properties. As the photoresist in OLED display manufacturing, PSPI is the core material in OLED manufacturing after luminescent materials, used for the planarization layer, pixel definition layer, and pillar spacer layer in OLED manufacturing. Our PSPI products mainly cover two major types: high-sensitivity and low-sensitivity, accommodating different customer requirements for process and production efficiency.
TFE-INK	Key compositions include photoinitiators, aliphatic acrylic monomers, aromatic acrylic monomers, and silicon-containing acrylic monomers	OLED display panel manufacturing	Primarily used for printing, leveling, and curing in OLED encapsulation processes, forming a transparent thin film that works synergistically with other encapsulation processes to isolate moisture and oxygen, protect luminescent materials, and extend device lifespan. Our TFE-INK products possess suitable viscosity, surface tension, and other characteristics, with material properties adjustable according to different customer requirements to meet the process demands of different customers and equipment.

BUSINESS

We continue to pursue optimization and upgrades in terms of product performance. For example, our YPI demonstrates excellent adhesion performance, which helps reduce film delamination anomalies in customers’ manufacturing processes. Leveraging our platform-based R&D capabilities, independently cultivated core talent teams, and proprietary R&D and evaluation systems, we are able to rapidly respond to customer needs and drive product iteration and upgrades. We have established production capacity and quality control capabilities commensurate with our business operations, meeting customers’ continuous supply requirements. Meanwhile, we continue to advance the in-house development of core raw materials, establishing comprehensive support in terms of supply chain security, product stability and cost control.

During the Track Record Period, the annual shipment volume of our semiconductor display materials increased from hundreds of tons to over one thousand tons, demonstrating the strong growth momentum of this business line. Our semiconductor display materials are typically priced on a per-kilogram basis. Depending on specifications, volume, product complexity, and functionality, the typical selling prices of our semiconductor display materials range from RMB400 to RMB3,500 per kilogram.

We will continuously upgrade and develop new products of semiconductor display materials in line with the development directions of flexible OLED and emerging display technologies. Key focuses include the development of YPI with higher modulus, stronger adhesion, and superior thinning and curing performance; the development of new products including PFAS-free PSPI, black pixel define layer, high-resolution PSPI, PSPI suitable for inkjet-printed OLED, and low-dielectric and ultra-high-sensitivity products; and the advancement of R&D for low-dielectric and high-leveling TFE-INK, to better accommodate the downstream application and technology evolution needs of foldable screens, VR/AR, inkjet-printed OLED, and medium-to-large-size OLED displays.

Advanced Semiconductor Materials and Others

High-end Wafer Photoresist

For high-end wafer photoresist, we primarily offer KrF and ArF photoresist, while concurrently developing auxiliary lithography materials such as BARC and SOC. Since the commencement of the R&D in 2022, we have achieved an end-to-end deployment spanning from product R&D, pilot and intermediate testing, customer qualification, to mass production line construction, establishing China’s first full-process high-end wafer photoresist mass production line covering “organic synthesis — polymer polymerization — purification and refinement — photoresist formulation.” This production system has achieved proprietary synthesis and purification of critical raw materials, significantly enhancing our capabilities in quality control, consistency, and supply assurance for photoresist. Certain of our products have completed initial volume supply, making us one of the fastest-advancing enterprises in China in ArF and KrF photoresist with technology levels benchmarked against international leaders.

BUSINESS

The semiconductor wafer photoresist market in which we operate is experiencing rapid growth. According to Frost & Sullivan, the global semiconductor wafer photoresist market reached RMB22.8 billion in 2025 and is expected to grow at a CAGR of 8.3% from RMB25.6 billion in 2026 to RMB35.3 billion in 2030. The China semiconductor wafer photoresist market reached RMB7.0 billion in 2025 and is expected to grow at a CAGR of 11.1% from RMB8.6 billion in 2026 to RMB13.1 billion in 2030. The sustained development of the global and China photoresist markets represents a broad total addressable market for our high-end wafer photoresist products.

During the Track Record Period and up to the Latest Practicable Date, our high-end wafer photoresist primarily comprised the following series:

Product Category	Key Compositions	Application Scenarios	Product Description
KrF Photoresist	A photosensitive mixture composed of polyhydroxystyrene resin, PAG, and other components	KrF photoresist is a critical material for 248nm deep ultraviolet lithography processes, primarily applied in mature and medium-to-high-end semiconductor manufacturing process nodes ranging from 0.25μm to 130nm, used in the manufacturing of memory, logic, automotive electronics, and certain power device chips	KrF photoresist is a key material for pattern transfer in wafer fabrication. After exposure, it undergoes photochemical reactions and forms fine patterns through post-exposure baking and development, providing selective processing patterns for subsequent etching, ion implantation, thin-film deposition and other manufacturing steps.
ArFi Photoresist	A photosensitive mixture composed of polyacrylate resin, PAG, and other components	ArFi photoresist is a critical material for 193nm immersion lithography processes, primarily applied in advanced semiconductor manufacturing process nodes ranging from 65nm to 7nm, used in the manufacturing of advanced logic, 3D NAND, DRAM, and other advanced chips	ArFi photoresist is used together with immersion lithography equipment, where an immersion medium is introduced between the lens and the wafer to improve exposure resolution. This type of product is subject to stringent requirements in terms of resolution, line-edge roughness, defect control, process window and compatibility with immersion fluids, and is an important material for pattern transfer in critical layers of advanced process nodes.

Our high-end wafer photoresist business focuses on two core product categories, KrF and ArF photoresist, targeting critical market segments characterized by high technological barriers, low levels of localization, and substantial market potential. Leveraging our technical expertise in organic synthesis, polymer synthesis, and refining and purification, we have achieved in-house preparation or domestic supply of key new materials, including critical resins, PAG, and high-purity monomers. These core raw materials have long been dominated by a small number of overseas suppliers. Given the high technical barriers and the potential impact of geopolitical factors and export controls on supply chain stability, developing local alternatives has become an urgent priority. Through the establishment of our proprietary synthesis and domestic supply system, we have not only effectively reduced reliance on imported raw materials and strengthened supply chain security, but also significantly enhanced product R&D efficiency. Our self-controlled capabilities at the raw material level also enable us to flexibly adjust resin molecular structures and monomer compositions to meet different formulation requirements, accelerating product iteration and performance optimization while shortening the cycle from R&D to mass production.

BUSINESS

We have established a comprehensive photoresist application evaluation platform, analytical testing systems, and full-process quality control capabilities that support rapid product development, customer qualification, and stable volume production ramp-up. As of the Latest Practicable Date, we had developed a portfolio of over 40 high-end wafer photoresist products, of which nearly 30 had entered the customer qualification stage and eight had obtained batch orders from multiple mainstream domestic wafer fab customers. These products have formed a systematic product portfolio that covers all mainstream process nodes and all mainstream wafer sizes, demonstrating our strong technological competitiveness and industrialization capabilities.

Our ArF and KrF photoresists cover all mainstream process nodes used by domestic wafer fabs and are widely applied in high-end memory (3D NAND and DRAM) and high-performance logic devices. Such products possess core strengths in adaptability for all mainstream scenarios, one-stop service, and collaborative technological iteration.

During the Track Record Period, our high-end wafer photoresist products commenced at-scale production and shipments starting from 2025. The typical overall price range for our high-end wafer photoresist is RMB7,000 to RMB45,000 per gallon.

We will closely align with the trends of domestic 12-inch wafer fab expansion and advanced process node upgrades, continuously advancing our high-end wafer photoresist product roadmap centered on “stable volume ramp-up for mature process nodes, accelerated breakthroughs for advanced process nodes, and forward-looking positioning for frontier technologies.” For KrF photoresist, we will focus on 90–28nm logic, memory, and analog chip process requirements, advancing the scale-up of general-purpose products and the development of differentiated products such as high-etch-resistance and low-defect thick-layer photoresists. For ArF photoresist, we will continue to pursue breakthroughs in ArFi photoresist for 28–7nm advanced process nodes, optimizing performance in multi-patterning, complex pattern transfer, and defect control, while progressively building out the auxiliary materials portfolio including BARC and SOC.

Advanced Packaging Materials

Our semiconductor advanced packaging materials focus on two critical materials, including Packaging PI and TBA, which have low levels of domestic production, high technology barriers, and significant growth potential. Given the demand for critical materials in advanced packaging processes, we continue to advance the R&D, validation, and industrialization of semiconductor advanced packaging materials. Our two key product categories, Packaging PI and TBA, are primarily applied in advanced packaging, power device packaging, and wafer thinning processes. With our experience in packaging process flows, material performance requirements, and customer-side compatibility needs, we are committed to providing customers with quality semiconductor advanced packaging materials to meet their comprehensive needs in terms of performance, reliability, process compatibility, supply security, and cost control.

BUSINESS

During the Track Record Period, our semiconductor advanced packaging materials achieved rapid sales growth, with the overall business entering a new phase of steady volume ramp-up, and notable progress in new product validation, qualification, and market promotion. According to Frost & Sullivan, the global semiconductor advanced packaging materials market reached RMB104.4 billion in 2025 and is expected to grow at a CAGR of 9.3% from RMB115.4 billion in 2026 to RMB164.7 billion in 2030. The China semiconductor advanced packaging materials market reached RMB20.3 billion in 2025 and is expected to grow at a CAGR of 12.0% from RMB23.2 billion in 2026 to RMB36.5 billion in 2030.

During the Track Record Period and up to the Latest Practicable Date, our semiconductor advanced packaging materials primarily comprised the following categories:

<u>Product Category</u>	<u>Key Compositions</u>	<u>Application Scenarios</u>	<u>Product Description</u>
Packaging PI	A liquid varnish formed with modified PI resin as the core, combined with photosensitizer, crosslinker, inhibitor, and other functional small molecules	Products applicable to advanced packaging processes including bumping, RDL, fan-in/out, 2.5D/3D packaging, as well as power device packaging applications	Packaging PI is one of the critical materials in semiconductor packaging processes, applicable to insulation passivation, patterning, stress buffering, and related protection. Our Packaging PI products have formed a portfolio covering non-photosensitive PI, positive-tone photosensitive PI, and negative-tone photosensitive PI. Depending on different application requirements, our products can provide performance features including high sensitivity, high resolution, high breakdown voltage, high adhesion, high film thickness, low-temperature or ultra-low-temperature curing, low stress, and excellent material compatibility.
TBA	One type of our TBA is a liquid varnish formed with various silicone resins as the core, combined with catalysts and other functional small molecules. The other type is a liquid varnish formed by mixing PI resin with various solvents. These two types of TBA are typically used together.	Products primarily applied to 2.5D/3D packaging, fan-out packaging, power device thinning, and other advanced packaging-related processes	TBA is one of the critical materials in wafer thinning and ultra-thin wafer processing, primarily used to temporarily bond device wafers to carrier substrates to provide mechanical support for ultra-thin wafers during subsequent thinning, drilling, via filling, redistribution, and other processing steps, while reducing the risk of warpage, deformation, or breakage. After processing is completed, TBA can achieve wafer release through the corresponding debonding process. Our TBA products feature high-temperature resistance, low volatile content, high bonding force, low stress, and easy debonding.

BUSINESS

For Packaging PI, we have developed a comprehensive product portfolio covering non-photosensitive PI, positive-tone and negative-tone photosensitive PSPI, mastering core technologies spanning from monomer design and precursor resin synthesis to varnish preparation, and have achieved industrialized production and volume supply of PSPI monomer resins. For TBA, we have overcome critical technology bottlenecks including high-temperature resistance and low volatile content, with core raw materials now produced in-house or sourced domestically. Leveraging our full-value-chain localization capabilities and comprehensive R&D platform, we are able to conduct customized development based on customer process requirements, progressively forming a comprehensive supply capabilities for advanced packaging materials.

Since the commencement of volume shipments of semiconductor advanced packaging materials in 2024, the annual shipment volume of our semiconductor advanced packaging materials was in tens of tons. Our semiconductor advanced packaging materials are typically priced on a per-kilogram basis. The typical overall price range for our advanced packaging materials range between RMB300 to RMB15,000 per kilogram.

We will advance the upgrade and new product development of Packaging PI and TBA in line with the development directions of advanced packaging and related semiconductor packaging technologies. For Packaging PI, we will focus on product development in the areas of ultra-low-temperature curing, low stress, PFAS-free, and NMP solvent-free formulations. For TBA, we will continue to advance R&D in the areas of high-temperature resistance, low stress, high bonding force, and easy debonding, to better accommodate the technological evolution needs of advanced packaging, power devices, and ultra-thin wafer processing applications.

Integrated Circuit Design

Our business includes the design, sale, and related technical services of application-specific integrated circuit products for printing consumables. Our existing products are primarily used for the identification and control of inkjet printer and laser printer consumables, with functions including sensing, counting, and color calibration. These products are specifically designed for printing consumable applications, with clear technology roadmaps and end-use purposes. During the Track Record Period, in respect of such application-specific integrated circuit products, the wafer fabrication process was outsourced to third-party wafer foundries, which is a customary arrangement for integrated circuit design activities. Such contractual manufacturing arrangements were limited to this specific production process and represented an immaterial component of our overall production model. For details, see “— Production.” Building on our existing business, we are actively expanding into the semiconductor equipment critical control system.

Printing and Copying Critical Materials

During the Track Record Period, under our printing and copying critical materials business, we primarily provided CPT as a core product. CPT is a fine powder material used in laser printers and copiers, which is attracted and transferred to the paper surface during the electrostatic imaging process, and then fixed through heat fusing to form and fix text or images. Compared to traditional mechanically ground powder, CPT has higher technical requirements in terms of particle size control, particle uniformity, color performance, transfer efficiency, and fusing performance.

BUSINESS

Our CPT products primarily include cyan, magenta, yellow and black (key) series, widely applied in laser printing and copying to meet performance requirements such as image density, color reproduction, output stability, and fusing quality. Through years of R&D and industrialization practice, we have accumulated extensive experience in material technology, process development and manufacturing, mastering key processes including nanodispersion, coagulation, polymer polymerization and particle coating, and have established comprehensive technology, manufacturing, and quality control capabilities, enabling us to continuously provide products compatible with mainstream printer and copier models.

To complement our CPT products, we also offered developer rollers, toner cartridges and ink cartridges during the Track Record Period. These products were widely applied in laser printing, laser copying, and inkjet printing scenarios. However, following the disposal of Zhuhai Mingtu and Jixun Technology, we have since focused on the research, development, and sales of CPT. For details, see “— Discontinued Operations.”

Our CPT products are typically quoted and settled on a per-kilogram basis. During the Track Record Period, the annual shipment volume of our CPT products was between approximately 2,000 to 3,000 tons, with the overall typical price between RMB100,000 to RMB150,000 per ton.

We intend to continue advancing the product iteration, process optimization, and quality improvement of our CPT business on the basis of controlling overall investment pace and aligning with market demand, in order to maintain its steady operations.

New Energy Materials and Others

As an important extension of our existing advanced materials business, we entered the new energy materials sector through the acquisition of a controlling interest in Hao Fei, with a focus on critical functional auxiliary materials used in lithium battery manufacturing. For details, see “History — Major Acquisitions, Disposals, and Mergers — Acquisition of Hao Fei.” Hao Fei engages in lithium battery dispersants, binders, and other customized products, which play important roles in slurry dispersion, electrode bonding, coating processing, interface optimization and process stability control, and are important materials affecting battery consistency, safety, cycle performance and manufacturing efficiency. Leveraging years of R&D and industrialization experience, Hao Fei has developed a product portfolio centered on dispersants, water-based binders and various functional additives, and has achieved customer qualification and continuous supply in application areas such as power batteries and energy storage batteries. Our entry into the new energy materials sector not only helps us capture market opportunities arising from the rapid development of new energy vehicles and energy storage industries, but also helps further enrich our product portfolio in polymer materials and functional materials.

BUSINESS

Currently, focusing on critical manufacturing processes of lithium batteries, we have formed a preliminary product matrix of lithium battery functional auxiliary materials, as follows:

Product Category	Key Compositions	Application Scenarios	Product Description
Cathode Dispersant	Phosphate esters, polyamide compounds	Used for dispersion in lithium iron phosphate, and nickel cobalt manganese (NCM) and nickel cobalt aluminum (NCA) system lithium battery materials	A high-efficiency multifunctional additive with strong viscosity-reducing capability. Compared with conventional dispersants, it requires a lower dosage, significantly reduces slurry viscosity, increases solid content, enhances slurry stability, and improves battery production efficiency.
Carbon-Source Dispersant	Polycarboxylate compounds	Used for dispersing ferric phosphate and lithium carbonate during the synthesis of lithium iron phosphate	Effectively reduces slurry viscosity, increases grinding efficiency, and enables a high solid content. It enhances spray-drying efficiency, reduces energy consumption, and contains only C, H, O, and N elements-introducing no metallic impurities. It also provides a partial carbon source to improve material conductivity.
Anode Binder	Polyacrylate compounds	Used for bonding graphite, silicon-carbon, and hard carbon anode materials in lithium batteries or sodium batteries	A specialized anode binder with excellent adhesion strength and flexibility. It offers very low swelling and low electrode expansion after calendaring, first charge, and cycling. It ensures good long-term cycling stability, outstanding kinetics for improved rate performance, and excellent processability.
Separator Binder	Polyacrylate emulsion	Used for bonding between separator coatings and between separators and electrodes in lithium batteries	It can replace traditional PVDF coating systems, reducing material costs. It enables room-temperature lamination, offers high peel strength and better adhesion, excellent ionic conductivity and electrolyte resistance, and low swelling characteristics.

Through the acquisition of Hao Fei, we have enhanced our product portfolio in the lithium battery functional auxiliary materials, establishing a product system encompassing dispersants, water-based binders, and multiple categories of functional additives. These products possess good environmental adaptability and performance optimization potential, and are able to meet the differentiated requirements of power batteries and energy storage batteries. Our core team in the new energy materials field has extensive experience in polymer chemistry, materials science and electrochemistry, possessing leading formulation systems, production processes and patented technologies, and has established stable collaborative relationships with leading lithium battery customers. This acquisition has expanded our R&D system, customer resources, and application scenarios in the new energy materials sector, providing solid support for our deeper participation in the lithium battery industry chain.

BUSINESS

The business direction of Hao Fei is highly synergistic with our existing material systems. On one hand, the technological advantages of mature products such as PI materials, microspheres, and alumina materials can be extended to lithium battery applications including electrode, coating, and separator modification, achieving integration of products and application scenarios. On the other hand, the emulsion polymerization and dispersion technologies accumulated in our toner production can be shared with the preparation systems for lithium battery dispersants and binders, achieving process and technology reuse. Meanwhile, the rigorous raw material management, quality management, and process optimization systems developed in our semiconductor materials production provide strong support for the batch stability and safety-compliant operations of new energy materials. We will continue to leverage our advantages in R&D, technology and customer resources, accelerating our deployment in high-end lithium battery functional auxiliary materials, such as novel conductive agents, electrode and separator binders, solid-state electrolytes and novel interface materials, continuously enhancing our competitiveness in the new energy materials field.

In addition to the new energy materials business, during the Track Record Period, we also conducted other business on a certain scale, primarily including the provision of technology consulting services and sales of materials outside our core business. These businesses are relatively small in scale and primarily serve supplementary roles.

Discontinued Operations

During the Track Record Period, we also operated a toner cartridge business and an ink cartridge business, with products covering toner cartridges for laser printers and ink cartridges for inkjet printers. These products were widely used in office, education and home printing, primarily as replacements for original equipment manufacturer printing consumables. Leveraging years of industry experience and a global marketing network, during the Track Record Period, our toner cartridge and ink cartridge products achieved stable volume supply. To further focus on the semiconductor materials and the new energy materials business, optimize our overall business portfolio, and enhance resource allocation efficiency, we undertook a strategic disposal and divested certain operations, including end-market business such as toner cartridges and ink cartridges and the related operating entities.

Following the aforementioned strategic disposal, we retained our CPT business. Although the CPT is applied in the printing consumables industry, this product integrates multiple complex material technologies and processes including nanodispersion, coagulation, polymer polymerization, and particle coating. Meanwhile, this business, leveraging years of technology accumulation and product capabilities, has maintained relatively stable production, sales, and profitability performance in the general color printing application. More importantly, the aforementioned material technology and process capabilities feature strong extensibility, which can further serve our R&D and industrialization efforts in semiconductor materials, lithium battery functional auxiliary materials, and other sectors.

In April 2026, we completed the disposal of Zhuhai Mingtu and Jixun Technology, which were components of our Group and represented a separate major line of business. In accordance with IFRS, the related operating activities of these subsidiaries were classified as discontinued operations during the Track Record Period. For details, see “History and Corporate Structure — Major Acquisitions, Disposals, and Mergers — Disposal of Zhuhai Mingtu and Jixun Technology.”

BUSINESS

TECHNOLOGY

Since inception, we have consistently focused on the core areas of critical innovative materials, achieving technological breakthroughs and industrialization of products. We have continuously built an increasingly complete foundational technology system centered on critical materials R&D, process development and industrialization, forming underlying innovation capabilities that support the sustained development of each of our business.

Technology Platforms

We have systematically distilled and integrated over two decades of accumulated product development and commercialization experience into seven core technology platforms spanning organic synthesis, polymer synthesis, inorganic non-metallic materials, physicochemical, and other disciplines. Each platform possesses independent professional capabilities and can also cross-collaborate, jointly driving product innovation and iteration. An overview of each technology platform is as follows:

- **Organic Synthesis Technology Platform.** This platform is primarily engaged in the development of organic synthesis technologies, undertaking the development and purification of products and raw materials involving organic synthesis processes. The platform has mastered core reaction technologies including diazo coupling, metal complexation, sulfonation, hydrogenation reduction, esterification, and distillation, and possesses high-purity process capabilities such as recrystallization, chromatographic column separation, and ion exchange. This platform primarily supports the development of PSPI monomers, TFE-INK monomers, TBA and Packaging PI monomers, and wafer photoresist monomers. Leveraging the technology accumulation of this platform, we have successfully achieved the domestic breakthrough of core monomers and developers for display panel photoresist materials and accomplished proprietary purification of critical raw materials.
- **Polymer Synthesis Technology Platform.** This platform is primarily engaged in the development of polymer synthesis technologies, supporting products including CPT, CMP Pads, YPI, PSPI, TFE-INK, CMP Pads prepolymers, TBA, packaging photoresist, and wafer photoresist. The platform possesses core process capabilities including styrene-acrylic emulsion polymerization, polyester synthesis, and free-radical suspension polymerization. Supported by this platform, we have achieved the domestic breakthrough of CMP Pads and accomplished full proprietary production of the core raw material prepolymers for CMP Pads.
- **Physicochemical Technology Platform.** This platform is primarily engaged in technology development in the physicochemical domains of colloid and surface chemistry and electrochemistry, supporting products such as CMP Slurry and Cleaning Solutions. The platform has deep technology accumulation in nano-colloid preparation and electrochemical corrosion. Leveraging over 15 years of colloid chemistry technology accumulation, we completed the R&D and industrialization of ultra-pure silica sol abrasive particles applicable to all process nodes in a relatively short period, mastering the core technology of CMP Slurry.

BUSINESS

- **Inorganic Non-metallic Materials Technology Platform.** This platform is primarily engaged in the development and application of inorganic non-metallic sintering technologies, supporting products such as magnetic carriers and abrasive particles for CMP Slurry. The platform has mastered key technologies including high-temperature precision sintering, seed crystal preparation, sintering morphology control, high-hardness material crushing, and nanoparticle dispersion. We have mastered core technologies for magnetic carriers spanning from core material preparation and polymer resin synthesis to core material coating, and have established world-class inorganic non-metallic sintering process capabilities.
- **Microsphere Synthesis and Foaming Technology Platform.** This platform is primarily engaged in technology development and application in areas such as microparticle characterization, trace impurity control, and micrometer-level precision control, supporting products including micrometer-scale core-shell structured solid microspheres, polymer microspheres, and nanometer-scale solid inorganic microspheres. With years of deep expertise in the materials sector, we have integrated common technologies across different products, including particle size control, shape control, and positive/negative charge colloid stability control, establishing a rich and systemic microsphere technology system. We have successfully developed a series of thermally expandable polymer hollow microspheres for CMP Pads, with performance metrics comparable to those of international original products.
- **Engineering Equipment Design Technology Platform.** This platform has a professional engineering team covering equipment design, chemical machinery, machine tool processing, automation control, equipment installation, powder classification, filtration, and separation, and has participated in the engineering process of all of our products. The platform has independently designed and constructed production lines for all of our products. We have built China’s first full-process high-end wafer photoresist mass production line covering “organic synthesis — polymer synthesis — purification and refinement — photoresist formulation,” with a highly intelligent, informatized and automatic process system, automation operation coverage exceeding 90%, and a quality management and control system benchmarked against world-class standards.
- **Materials Application and Evaluation Technology Platform.** This platform possesses independent application evaluation capabilities, conducting systematic analysis and validation of material products’ various performance metrics and application performance through actual process applications, supporting the full range of products including CMP materials, semiconductor display materials, semiconductor advanced packaging materials, high-end wafer photoresist, and printing and copying critical materials. We operate specialized application evaluation centers, equipped with internationally leading evaluation equipment and analytical instruments, including multiple 12-inch and 8-inch CMP tools, and ArFi and KrF lithography tools, which can significantly enhance product R&D efficiency and accelerate customer-side validation and commercial qualification processes.

BUSINESS

Our seven technology platforms are mutually reinforcing, enabling cross-application of technologies and synergistic innovation. We systematically assess the applicability of technological breakthroughs across industries and product areas to support the incubation and commercialization of new projects. For example, technologies accumulated in chemical toner and carrier production, such as seed crystal preparation, sintering morphology control and nanoparticle dispersion, have facilitated our rapid breakthrough in abrasive particles for CMP slurry. This platform-based R&D system also enables us to design and build production lines, develop and produce critical raw materials in-house, reduce reliance on external suppliers, and respond efficiently to customer needs and market demand, thereby enhancing supply chain stability, product quality and our core competitiveness.

Key Technologies

Leveraging our seven technology platforms, we have mastered the following core technologies, which are widely applied across our principal product lines and form an important foundation of our core competitiveness:

Core Technology	Product or Business Segment	Technical Challenges Addressed
Organic Synthesis and High-purification Technology	PSPI monomers, display panel encapsulation material monomers, wafer photoresist monomers, TBA monomers	Proprietary synthesis and electronic-grade purification of critical raw materials, addressing import dependence for core monomers and developers
Polymer Synthesis Technology	CPT, CMP Pads and prepolymers, YPI, PSPI, packaging photoresist, wafer photoresist	Design and synthesis of specialty polymer materials, achieving domestic breakthroughs for CMP Pads and flexible OLED PI materials
Colloid and Surface Chemistry Technology	CMP Slurry, Cleaning Solutions, CPT	Preparation and dispersion stability control of nanoscale colloidal materials, enabling precise control of polishing rate and planarization efficiency
Electrochemistry Technology	CMP Slurry, Cleaning Solutions	Balance control between wafer surface cleaning effectiveness and metal protection, reducing post-CMP defect rates
Inorganic Non-metallic Sintering Technology	Magnetic carriers, abrasive particles for CMP Slurry	Temperature control in high-temperature precision sintering processes, achieving proprietary preparation of carrier core materials
Microsphere Synthesis and Foaming Technology	Hollow microspheres for CMP Pads, magnetic carriers (solid microspheres), nano-abrasive particles for CMP Slurry	Precision control of microsphere particle size uniformity, surface morphology, and foaming ratio, achieving domestic production of critical raw materials for CMP Pads
Automated Engineering Equipment Design Technology	Engineering and mass production of all product lines	Addressing critical challenges in the scale-up from laboratory processes to industrialization, including precision temperature control, automated conveying, and cleanroom environment control
Materials Application and Evaluation Technology	CMP materials, semiconductor display materials, advanced packaging materials, high-end wafer photoresist, printing and copying critical materials	Establishing independent application evaluation capabilities, shortening R&D validation cycles, and accelerating customer-side qualification processes

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RESEARCH AND DEVELOPMENT

We have consistently regarded R&D as a key factor in enhancing core competitiveness and supporting long-term development, adhering to a primarily proprietary R&D model. Leveraging a stable R&D team, sustained R&D investment, and long-accumulated technical expertise and industry experience, we continuously conduct R&D activities in fundamental research, product development, process optimization, and application validation in new materials, and have progressively developed a relatively systematic R&D system and technology accumulation. Meanwhile, we emphasize the engineering and industrialization of R&D outcomes, continuously improving conversion efficiency from technology development to product commercialization, providing strong support for sustained business innovation.

R&D Infrastructure

We continue to advance R&D infrastructure development, having invested in the establishment of the Hubei Dinglong Advanced Materials Innovation Research Institute (the “**Innovation Research Institute**”). The Innovation Research Institute serves as an important vehicle for our R&D system, primarily undertaking R&D in frontier technologies and new material directions. Through the establishment of the Innovation Research Institute, we have further integrated our R&D resources, enhanced R&D coordination efficiency, and provided support for our continued expansion in new materials. In addition, we are establishing an R&D and manufacturing center for semiconductor materials to strengthen our technological innovation system and support the continuous R&D, iteration and forward-looking deployment of semiconductor materials.

We have independently established product application evaluation laboratories to support new product development and have built five major application evaluation and validation systems covering CMP materials, display materials, advanced packaging materials, wafer photoresists, and printing and copying critical materials. During the product development stage, these systems enable us to analyze the various indicators and application performance of our material products through actual application processes. They could therefore improve the alignment between product performance and customer needs, increase the success rate of customer-side qualification, and shorten the cycle from material development to adoption. During the volume sales stage, they help us deepen our understanding of material applications and better ensure the stability of our products in customers’ large-scale applications.

We attach great importance to R&D team development. As of April 30, 2026, our R&D team comprised 1,014 personnel, accounting for more than one third of our total employees. Our R&D personnel possess diverse professional backgrounds in materials, chemistry, chemical engineering, mechanical engineering, electronics, and other disciplines, enabling collaborative work across different technical directions and R&D stages with complementary strengths. Meanwhile, we continuously enhance the professional capabilities and overall competencies of our R&D personnel through internal training, technical exchanges, and external professional development programs, continuously improving our R&D talent pipeline to provide talent assurance for the sustained advancement of our R&D activities.

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R&D Management

To ensure the orderly advancement of R&D projects and enhance the standardization and effectiveness of R&D activities, we have established an increasingly refined R&D project management system, formulating relevant policies and procedures including R&D project control procedures, internal audit control procedures, and product design and development control procedures, which standardize stages including project initiation, process management, stage reviews, and acceptance and closure. These policies help clarify the division of responsibilities, management requirements, and control standards at each stage of R&D projects, promoting the standardized implementation of R&D activities and the effective allocation of R&D resources. We have also established incentive mechanisms, encouraging R&D personnel to continuously conduct technological innovation, product development and intellectual property accumulation.

R&D Process

We have established an R&D process for the development and industrialization of critical innovative materials, covering “frontier assessment — product development — validation and optimization — mass production qualification.” Our R&D work is dynamically adjusted and cross-iterated across multiple stages based on material characteristics, customer needs, application scenarios, and validation progress, reflecting a forward-looking, synergistic, and engineering-oriented approach. In general, our typical R&D process includes the stages of project initiation, laboratory research, scale-up validation, pilot production, and mass production, as described below:

- **Project Initiation.** Conducting feasibility studies around technology trends, market opportunities and customer needs, assessing technical feasibility, industrialization feasibility, and commercial value, and establishing R&D directions, key metrics and implementation roadmaps.
- **Laboratory Research.** Conducting materials design, formulation screening, process exploration and fundamental performance validation in conjunction with target application scenarios, performing preliminary confirmation of product concepts and key technical parameters.
- **Scale-up Validation.** Conducting pilot or scale-up testing based on laboratory results, with a focus on validating the feasibility of process scale-up, product stability and consistency, and continuously optimizing products and processes incorporating customer testing feedback.
- **Pilot Production.** Validating manufacturing processes, process windows, quality control, and delivery readiness under near-mass-production conditions, providing a basis for subsequent mass production qualification.
- **Mass Production.** Transitioning to mass production upon completion of relevant validations and satisfaction of requirements, with continuous product and process optimization during mass production based on customer needs, application feedback, and technology iteration.

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We have demonstrated strong R&D efficiency and effective technology commercialization capability. For example, we launched our high-end wafer photoresist program in 2022 and, within approximately two and a half years, secured our first KrF and ArF photoresist orders from major domestic wafer manufacturers by the end of 2024. We have completed Phase I production line in Qianjiang, Hubei, with an annual capacity of 30 tons of KrF/ArF photoresists and mass-supply capability. In addition, Phase II production line, with an annual capacity of 300 tons, commenced operation in March 2026, becoming the first domestic high-end wafer photoresist mass production line covering the full process chain, including organic synthesis, polymer synthesis, refinement and purification, and photoresist formulation. The products can be applied in 3D NAND, DRAM, and high-performance logic devices, with capacity ramp-up progressing steadily.

R&D Collaboration

We actively engage in deep cooperation with industry-leading enterprises and renowned universities, co-establishing joint laboratories and conducting collaborative R&D and technology development around core technologies in the integrated circuit, OLED display and other industries. Through such collaborations, we effectively integrate university research resources, corporate industry resources, and market application resources, driving deep integration of industry, academia, research, and application, and accelerating the conversion and commercialization of frontier technology achievements.

Leveraging our continuously improving industry-academia-research collaboration system, we have progressively established a full-chain R&D conversion pathway spanning from fundamental research and laboratory R&D to pilot validation and industrialization. For example, in the semiconductor display materials sector, we have driven the domestic production of YPI and PSPI, becoming a core supplier to leading domestic display panel manufacturers; and in the high-end wafer photoresist sector, multiple of our products have passed validation by key customers, providing support for self-sufficiency in the relevant industry chain.

R&D Investment

We attach great importance to R&D investment and have consistently maintained a high level of R&D expenditure. During the Track Record Period, research and development expenses as a percentage of our revenue from continuing operations exceeded 15% in each year/period. In 2023, 2024, and 2025, and the four months ended April 30, 2025 and 2026, our research and development expenses amounted to RMB328.1 million, RMB402.7 million, RMB475.6 million, RMB145.2 million and RMB190.3 million, respectively. Our R&D expenditure is generally expensed as incurred, except for development expenditures meeting the capitalization criteria, which are recognized as intangible assets and amortized over their useful lives from the date the product is ready for mass production.

PRODUCTION

Our core production strengths are reflected in our end-to-end in-house production capabilities, leading advanced production processes, automated and digitalized intelligent production, stringent quality control, customized development capabilities and rapid delivery capabilities. Through dedicated production lines, we cover the entire process from raw material production to packaging inspection, and integrate automated control of key processes, automated inspection systems and production execution systems to enhance qualification rate, production capacity and product consistency, while enabling full

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traceability throughout the production process. In addition, we have established a production planning management system centered on market demand and rolling forecasts. Through phased production deployment, regular capacity assessments and production resource allocation, we dynamically balance inventory and production capacity to efficiently meet customer demand and support continuous product iteration.

Production Process

Based on the differences in product characteristics and production methods, we utilize three production methods: (i) mechanical-related (for CMP Pads); (ii) liquid and slurry-related; and (iii) CPT-dedicated production.

CMP Pads

The production of CMP Pads is based on precise material formulation, stable process parameters and stringent process control, covering the complete workflow from casting to packaging. Through standardized production processes and professionalized operational management, we ensure consistent stability of our CMP Pads. The production process of our CMP Pads is set forth below:

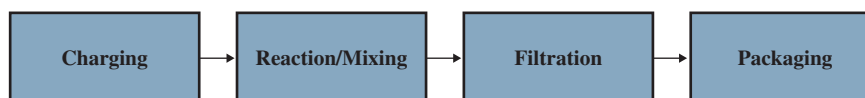


- **Casting:** The core raw materials are added to a reactor for preliminary mixing and degassing, mixed at the casting head, and subsequently cast onto a disc-shaped base to form a disc-shaped mixture, or pad blank.
- **Curing:** The pad blank is transferred to an oven and cured at a specified temperature.
- **Slicing:** The cured pad blank is cut into thin slices of a specified thickness using a slicing machine.
- **Thinning:** The cut slices are surface-ground on a grinder.
- **Grooving:** Grooves of specified shapes are engraved onto the slices using computer numerical control machining.
- **Lamination:** The grooved slices are combined with a cushioning pad by tape bonding or adhesive bonding to form a multi-layer composite material.
- **Packaging:** The processed slices are inspected, and qualified products are then sealed in plastic packaging.

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Liquid and Slurry Products

The production process for liquid and slurry products is primarily used in the manufacture of CMP Slurry, Cleaning Solutions, semiconductor display materials, and wafer photoresists. This production process is characterized by complex formulations, high dispersion requirements, precise rheological control, stringent impurity management and high batch-to-batch consistency requirements. Its core lies in achieving product performance stability and application compatibility through refined process control. The production process for liquid and slurry products is set out below.

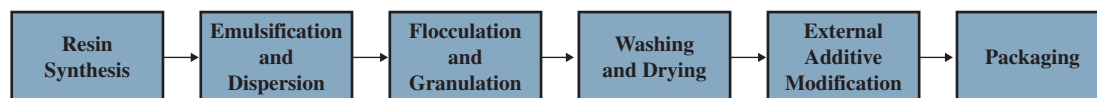


- **Charging:** Incoming raw materials are inspected to confirm that key indicators meet the required standards, and the raw materials are gradually added into the reactor according to the formulation ratio.
- **Reaction/Mixing:** Reaction or mixing conditions are controlled in accordance with process requirements to complete the reaction or mixing process.
- **Filtration:** The solution after reaction or mixing is filtered to remove large particles and impurities.
- **Packaging:** Qualified finished products are filled into designated packaging containers.

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Color Polymerized Toner

After years of continuous improvement and optimization, we have developed a refined CPT production process, as set out below:



- **Resin Synthesis:** Raw materials are proportioned in accordance with product quality standards, and a polyester resin core base material for toner production is synthesized through a standardized process to meet the required performance standards.
- **Emulsification and Dispersion:** Under a controlled constant-temperature environment, surfactants are added, and polyester resin, pigments, waxes, and other raw and auxiliary materials are fully mixed and dispersed to prepare a mixed emulsion with uniform composition and stable properties.
- **Flocculation and Granulation:** A specialized flocculant is added to the mixed emulsion, and by precisely controlling the formulation system, ambient temperature, pH value, and stirring parameters, the material is induced to react and form uniformly sized spherical particle intermediates.
- **Washing and Drying:** The formed particles are thoroughly washed with ultrapure water to completely remove residual impurities and additives from the particle surfaces, and the internal moisture of the particles is then removed through a low-temperature drying process to obtain dry and pure toner base particles.
- **External Additive Modification:** According to product performance requirements, specialized external additives are added to the dried toner base particles, and the product’s key application properties, such as flowability and triboelectric charging performance, are optimized through uniform mixing and modification.
- **Packaging:** Qualified modified toner products are sealed using standardized packaging materials to effectively avoid contamination and damage.

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Production Bases

As of the Latest Practicable Date, we had four major production bases in China, located in Wuhan (Hubei), Qianjiang (Hubei), Xiantao (Hubei), and Ningbo (Zhejiang), respectively. Following the completion of production line expansions in Qianjiang and Xiantao, our overall production capacity has been further strengthened. The following table sets forth an overview of our production bases:

Production Bases	Major Products	Year of commencing operations	Gross Floor Area (m^2)	Land/Property Right
Wuhan	CMP materials (CMP Pads, CMP Slurry and Cleaning Solutions), semiconductor display materials, advanced semiconductor materials, CPT, critical raw materials	2012	45,023	Owned
Qianjiang	CMP Pads, cushion pads, high-end wafer photoresists	2022	44,196	Owned
Xiantao	CMP Slurry, abrasive particles, YPI, PSPI	2023	89,966	Owned
Ningbo	CPT	2008	12,111	Owned

Production Capacity and Utilization Rate

The following table sets forth an overview of the production capacity and utilization rates of our major products during the Track Record Period:

	Designed Production Capacity ⁽¹⁾				Actual Production Volume ⁽²⁾				Utilization Rate ⁽³⁾ (%)			
	FY2023	FY2024	FY2025	4M2026	FY2023	FY2024	FY2025	4M2026	FY2023	FY2024	FY2025	4M2026
CMP Pads ⁽⁴⁾ (pieces in thousand)	500	550	825	342	150	331	650	290	30.0	60.2	78.8	84.8
CMP Slurry and Cleaning Solutions ⁽⁴⁾ (tonnes)	7,000	27,000	27,000	9,000	1,792	3,445	5,072	1,856	25.6	12.8	18.8	20.6
Semiconductor display materials (tonnes)	1,200	2,200	2,600	870	345	842	1,127	362	28.8	38.3	43.3	41.6
CPT (tonnes)	3,500	3,500	3,500	1,170	2,024	2,504	2,345	848	57.8	71.5	67.0	72.5

Notes:

- (1) Design capacity is estimated based on, among other things, the configuration of our major production facilities and equipment, planned operating hours, normal production arrangements, routine maintenance and overhaul, product mix, production processes and production efficiency for the relevant year/period. Design capacity does not represent the actual maximum output that the relevant production facilities may achieve at any given time, and may vary depending on product specifications, customer demand, production scheduling, equipment maintenance and other operational factors. The design capacity for the four months ended April 30, 2026 is presented based on the available capacity during the period and has not been annualized.
- (2) Actual production volume refers to the quantity of the relevant products produced by us during the relevant year/period, as recorded in our internal production records.

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- (3) Utilization rate is calculated by dividing the actual production volume for the relevant year/period by the design capacity for the same year/period.
- (4) The relevant product categories, organized based on internal management and production statistics. In particular, CMP Pads include cushion pads, and CMP Slurry and Cleaning Solutions include abrasive particles.

During the Track Record Period, the utilization rates of our CMP Pads and CPT increased steadily, reflecting the continued expansion of production and sales scale of these products and their growing market recognition. By comparison, the utilization rates of our CMP Slurry and Cleaning Solutions, as well as semiconductor display materials, remained at an early ramp-up stage, primarily because we had proactively built capacity reserves at the initial stage of production line planning and construction in light of the rapid development of the semiconductor industry and anticipated future market demand, so as to support our medium- to long-term business expansion. According to Frost & Sullivan, such forward-looking capacity planning is broadly consistent with the industry practice.

Production Equipment

We have adopted advanced production equipment, which enables us to consistently produce products with stable quality and reliable performance. We typically procure our production equipment from reputable suppliers with stable delivery capabilities and comprehensive after-sales service systems. In particular, our core manufacturing equipment is customized according to the requirements of our own production processes, ensuring it meets our production and operational needs. Our production equipment primarily includes casting machines, reactors, and filters, among others.

In addition, leveraging our automated management systems and AI tools, we monitor and analyze critical machine performance data to predict potential system failures and optimize equipment performance. We also conduct regular maintenance checks on our production and testing equipment to maintain delivery efficiency and operational consistency. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major production disruption due to unexpected failure of our production equipment and machinery.

Intelligent Production

We are committed to building an intelligent factory system across the entire production process that is transparent, traceable and self-optimizing. Through the development of digitalized workshops, we seek to promote the digital and intelligent transformation of the full product lifecycle, from design and production, to quality control, and to enhance our operational efficiency, process visibility and product quality consistency.

In particular, our core production lines are fully integrated with a distributed control system, enabling automated control of key processes such as charging, blending, reaction, and filtration, with process deviations maintained at a low level. We also operate a production execution system that provides end-to-end data traceability from order release to finished goods warehousing and improves production efficiency by over 30% compared with traditional semi-automated lines. In addition, online monitoring systems are deployed at critical stages to track key indicators such as temperature, pressure, and purity in real time, with automatic alerts and process adjustments helping keep defect rates below the industry average. We believe these initiatives help drive our industrial upgrading and continuously enhance our production capabilities.

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RAW MATERIALS AND SUPPLIERS

Our Raw Materials

We have been developing and strengthening our in-house development and production capabilities for critical raw materials. For raw materials that have a significant impact on product performance, account for a relatively high proportion of costs, and for which qualified and stable domestic supply remains relatively limited, we tend to develop and manufacture such materials in-house to ensure product quality, supply stability and cost control. We believe that these capabilities are an important foundation for maintaining our market competitiveness and are also aligned with the industry trend toward localization of raw materials.

During the Track Record Period, we successfully developed and manufactured critical raw materials for various semiconductor materials, including prepolymers, cushion pads, microspheres, abrasive particles and resins, among others.

The table below lists the representative critical raw materials for which we have in-house production capabilities as of the Latest Practicable Date:

<u>Product Category</u>	<u>Representative Critical Raw Material</u>
CMP Pads	Prepolymer, cushion pads, microspheres
CMP Slurry and Cleaning Solutions	High-purity silica abrasive particles, ultra-high-purity silica abrasive particles, alumina abrasive particles, and ceria abrasive particles
Semiconductor Display Materials	Resins, monomers
High-end Wafer Photoresist	Resins, monomers, PAG
Advanced Packaging Materials	Resins

Apart from the critical raw materials that we develop and manufacture in-house, the raw materials we source from suppliers primarily consist of commodities used to manufacture such critical raw materials, such as hydrogen peroxide, nitric acid, ammonia solution and ethyl acetate, as well as non-critical raw materials such as methanol and ethanol. We primarily source raw materials from reputable suppliers, ensuring sufficient supply and stable quality to consistently support the resilience and robustness of our supply chain. As part of our strategy, we also collaborate with selected domestic suppliers to customize raw materials to meet our specific requirements. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material shortfall in the supply of raw materials that would, individually or in the aggregate, have any material adverse impact on our production plans, results of operations, financial condition or growth prospects.

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Our Suppliers

During the Track Record Period, our suppliers primarily consisted of suppliers of raw materials required for the production of CMP Pads, wafer fabrication service providers, and suppliers of raw materials required for the production of semiconductor display materials, primarily located in China. We have proactively identified domestic suppliers with R&D capabilities, technological independence, and stable supply capacity, and have established stable cooperative relationships with them. For the suppliers that grant us credit terms, we are generally given credit periods of approximately 30 days.

During the Track Record Period, the aggregate purchases of our continuing operations from our five largest suppliers amounted to RMB93.0 million in 2023, RMB146.2 million in 2024, RMB174.7 million in 2025 and RMB107.8 million for the four months ended April 30, 2026, representing 20.1%, 20.8%, 21.0% and 30.6% of our total purchases for the corresponding years/periods, respectively. During the same years/periods, purchases of our continuing operations from our largest supplier amounted to RMB28.7 million, RMB44.0 million, RMB40.9 million and RMB33.6 million, representing 6.2%, 6.3%, 4.9% and 9.5% of our total purchases for the corresponding years/periods, respectively.

The following tables set forth the details of our five largest suppliers of continuing operations in each year/period during the Track Record Period:

Supplier	Background	Procurement amount (RMB'000)	Percentage of total purchase (%)	Year of commencing business relationship	Products sold to us
For the year ended December 31, 2023					
Supplier A	Headquartered in Taiwan, China and principally engaged in the R&D, design, testing and production of high-precision grinding and polishing pads	28,696.5	6.2	2017	CMP Pads raw material
Supplier B	Listed on the STAR Market of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in specialty-process pure-play semiconductor wafer foundry services	19,438.0	4.2	2007	Wafer fabrication services
Supplier C	Headquartered in Suzhou and principally engaged in the R&D, production and sale of paper products and related packaging support services	18,553.9	4.0	2020	CMP Pads raw material
Supplier D	Headquartered in Hong Kong, China and principally engaged in import and export trade of products including microspheres, among others	13,665.7	3.0	2022	CMP Pads raw material
Supplier E	Headquartered in Wuxi and principally engaged in the R&D and promotion of new material technologies and the sale of related products	12,596.3	2.7	2021	Raw material for semiconductor display materials
Total		<u>92,950.4</u>	<u>20.1</u>		

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<u>Supplier</u>	<u>Background</u>	<u>Procurement amount</u> <i>(RMB'000)</i>	<u>Percentage of total purchase</u> <i>(%)</i>	<u>Year of commencing business relationship</u>	<u>Products sold to us</u>
For the year ended December 31, 2024					
Supplier A	Headquartered in Taiwan, China and principally engaged in the R&D, design, testing and production of high-precision grinding and polishing pads	44,049.2	6.3	2017	CMP Pads raw material
Supplier C	Headquartered in Suzhou and principally engaged in the R&D, production and sale of paper products and related packaging support services	28,291.6	4.0	2020	CMP Pads raw material
Supplier E	Headquartered in Wuxi and principally engaged in the R&D and promotion of new material technologies and the sale of related products	26,840.7	3.8	2021	Raw material for semiconductor display materials
Supplier F	Headquartered in Shijiazhuang and principally engaged in the production and sale of chemical new materials, food additives and chemical products	25,822.6	3.7	2022	Raw material for semiconductor display materials
Supplier B	Listed on the STAR Market of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in specialty-process pure-play semiconductor wafer foundry services	21,211.9	3.0	2007	Wafer fabrication services
Total		<u>146,216.0</u>	<u>20.8</u>		

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<u>Supplier</u>	<u>Background</u>	<u>Procurement amount</u> <i>(RMB'000)</i>	<u>Percentage of total purchase</u> <i>(%)</i>	<u>Year of commencing business relationship</u>	<u>Products sold to us</u>
For the year ended December 31, 2025					
Supplier C	Headquartered in Suzhou and principally engaged in the R&D, production and sale of paper products and related packaging support services	40,902.7	4.9	2020	CMP Pads raw material
Supplier A	Headquartered in Taiwan, China and principally engaged in the R&D, design, testing and production of high-precision grinding and polishing pads	40,115.2	4.8	2017	CMP Pads raw material
Supplier F	Headquartered in Shijiazhuang and principally engaged in the production and sale of chemical new materials, food additives and chemical products	36,652.4	4.4	2022	Raw material for semiconductor display materials
Supplier G	Headquartered in Suzhou and principally engaged in the sale of chemical materials and electronic products, and the provision of related technical services	32,248.6	3.9	2019	Raw material for CMP Slurry and Cleaning Solutions
Supplier H	Headquartered in Wuhan and principally engaged in integrated circuit chip design, the R&D of electronic materials, and the sale of related products	24,762.4	3.0	2022	Raw materials for CMP Slurry and cleaning solutions, as well as semiconductor display materials
Total		<u>174,681.3</u>	<u>21.0</u>		

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<u>Supplier</u>	<u>Background</u>	<u>Procurement amount</u> (RMB'000)	<u>Percentage of total purchase</u> (%)	<u>Year of commencing business relationship</u>	<u>Products sold to us</u>
For the four months ended April 30, 2026					
Supplier I	Headquartered in Hefei and principally engaged in the R&D, production, and sales of new energy materials and specialized electronic materials	33,567.9	9.5	2023	Raw material for new energy materials
Supplier J	Headquartered in Hefei and principally engaged in the R&D of new material technologies, as well as the production and sales of eco-friendly materials and related products	22,297.3	6.3	2023	Raw material for new energy materials
Supplier C	Headquartered in Suzhou and principally engaged in the R&D, production and sale of paper products, as well as related packaging support services	18,232.4	5.2	2020	CMP Pads raw material
Supplier K	Headquartered in Yantai and principally engaged in the R&D of new energy battery materials and the sales of chemical products	17,148.8	4.9	2024	Raw material for new energy materials
Supplier G	Headquartered in Suzhou and principally engaged in the sale of chemical materials and electronic products, as well as related technical services	16,527.3	4.7	2019	Raw material for CMP Slurry and Cleaning Solutions
Total		<u>107,773.7</u>	<u>30.6</u>		

Supplier F, one of our five largest suppliers in 2024 and 2025, is an associate of our Company. As of the Latest Practicable Date, our Company held approximately 8.2% equity interest in Supplier F. Accordingly, our Single Largest Group of Shareholders and those Directors holding shares in our Company, indirectly held equity interest in Supplier F through our Company.

Our Directors confirm that the transactions with Supplier F were conducted in the ordinary and usual course of business as normal commercial arrangements, the terms of such transactions were fair and reasonable, and that such arrangements did not have any adverse impact on the operational independence, pricing mechanism or business arrangements of our Group.

Save as disclosed above, none of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers for each year/period during the Track Record Period.

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Procurement Agreements

We typically enter into framework agreements with our suppliers. These agreements are subject to internal review under the established procedures and typically include the following key terms:

- **Duration.** Our procurement agreements typically have a term of one year or less.
- **Product specification.** Our procurement agreements generally stipulate the product specifications, and the specific details of each transaction are further set out in the corresponding purchase orders.
- **Pricing policy.** The prices are determined through negotiation and may be revised upon our request.
- **Payment.** Payment is generally made on a monthly basis following inspection and acceptance of the goods.
- **Delivery.** The supplier arranges delivery to us and bears the relevant cost.
- **Warranty arrangements.** The supplier warrants that the materials supplied meet the agreed quality, quantity, and packaging requirements, and in the event of non-compliance, shall replace or accept the return of such products and bear the related costs.
- **Confidentiality.** We typically include confidentiality provisions in our procurement agreements, prohibiting the disclosure of any trade secrets, technical know-how, customer information, or financial information obtained in the course of business relationship, and such obligations survive the term of the agreement.
- **Termination.** Our procurement agreements terminate upon expiration of their term or upon the occurrence of any termination condition expressed in the agreements. We typically do not have an automatic renewal provision in our agreements.

Due to factors such as fluctuations in material prices, changes in market supply and demand dynamics, and technological advancements, our procurement prices and quantities may vary. For details, see “Risk Factors — Risks Relating to Our Industry and Business — An increase in prices or shortage of raw materials, or disruption in our supply chain, could increase our production costs and delay deliveries of our products.”

Supply Chain Management

We manage our supply chain in a systematic manner. Based on the production plans prepared by our production department, our system automatically generates material procurement requirements. Our procurement department then formulates detailed procurement plans with reference to inventory levels and delivery lead times. Such plans are reviewed by us from time to time. Each raw material is assigned a prescribed inventory level, and procurement is initiated once inventory falls below the relevant threshold. We maintain an approved supplier list. Our supplier base is relatively stable, unless a supplier causes significant losses or serious quality issues. Our quality control department conducts annual on-site audits and regular assessments of our suppliers, covering delivery quality, continuous improvement capability, after-sales service and product qualification rate.

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As part of our supply chain risk management strategy, we seek to mitigate supplier risks arising from geopolitical factors, particularly where overseas supply arrangements for critical raw materials are involved, and accordingly adopt a phased localization strategy. We first seek to identify alternative domestic suppliers. Where such suppliers are unable to meet our quality or production requirements, we consider in-house production of the relevant critical raw materials.

MARKETING, SALES AND CUSTOMERS

We place great emphasis on establishing long-term, in-depth and multi-level cooperation with our customers. In particular, in our semiconductor materials and solutions business, customers typically have high requirements for product performance, process compatibility and supply stability. Accordingly, through customized services, systematic solutions and continuous technical support, we gain an in-depth understanding of, and respond to, customers’ specific needs. As our cooperation deepens, our relationships with certain customers have gradually extended beyond traditional product supply to areas such as R&D validation, process optimization and product introduction, enabling us to better support customers’ new product development and industrialization processes, while continuously strengthening our customer base and market position.

Marketing Strategies

We have established a market service mechanism supported by the coordinated efforts of our sales and marketing team, on-site technical service personnel and after-sales service department. Our sales and marketing team is primarily responsible for identifying target markets and potential customers, communicating with customers on their needs, conducting commercial negotiations and carrying out marketing activities; our on-site technical service personnel directly interface with customers, follow up on product usage and provide technical support and optimization recommendations; and our after-sales service department is responsible for order processing, after-sales requests and internal coordination. Through the above collaborative mechanism, as well as regular technical communications and long-term cooperation arrangements with key customers, we are able to respond more effectively to customer needs, participate in customers’ product introduction and process optimization, and continuously enhance our customer service efficiency and market responsiveness.

To enhance our industry presence, particularly in the semiconductor materials and solutions business, we participate in semiconductor exhibitions and technical conferences, where we showcase product specifications, application cases, and supply chain security documentation to promote our offerings and foster collaboration.

Sales Model

We sell our products through direct sales. The markets we operate in are competitive and highly dynamic, and require customization. Our ability to identify customers’ specific requirements, deliver specialized modifications to our products based on each customer’s unique process requirements, and provide comprehensive solutions has laid the foundation for our success as an innovative materials company. Such ability requires us to address customers’ needs directly, gather immediate feedback, provide proactive customer service, offer ongoing technical support, and closely monitor customers’ product iterations. Accordingly, direct sales are critical to our ability to serve our customers effectively and maintain our competitive position. We have established dedicated sales teams. In regions where potential customers are geographically concentrated for a specific product, our subsidiaries and their sales teams are well-positioned to provide efficient coverage at lower cost.

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We generally enter into sales agreements provided by our customers, consistent with industry practices. The salient terms of these sales agreements are set out below:

- ***Duration.*** There is no unified fixed term for the agreements and these agreements are typically entered into on a transaction-by-transaction basis.
- ***Pricing.*** We generally determine the price of our products through negotiations with our customers and sell our products at mutually agreed pricing terms.
- ***Payment.*** Our customers are typically required to pay the corresponding amount within 30 days after a VAT special invoice is issued for the same amount.
- ***Logistics and risk transfer.*** We are responsible for the packaging and transportation of the products, and the risk passes to our customers upon delivery of the goods to the customers at the designated delivery location.
- ***Termination.*** Our sales agreements may be terminated in the event of any material default.

Our Customers

Our customers are primarily IDMs, foundries, and display panel manufacturers, among others. During the Track Record Period, we typically granted our major customers a credit period of 60 to 90 days and provided credit terms of 120 days to relevant customers in accordance with industry practices.

During the Track Record Period, revenue generated by our continuing operations from our five largest customers in each year/period amounted to RMB554.5 million in 2023, RMB1,041.7 million in 2024, RMB1,316.2 million in 2025 and RMB567.1 million for the four months ended April 30, 2026, representing 42.5%, 53.4%, 53.5% and 52.1% of our total revenue for the corresponding years/periods, respectively. During the same years/periods, revenue generated by our continuing operations from our largest customer in each year/period amounted to RMB205.4 million, RMB386.3 million, RMB467.5 million and RMB197.4 million, representing 15.7%, 19.8%, 19.0% and 18.1% of our total revenue for the corresponding years/periods, respectively.

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The following tables set forth the details of our five largest customers of continuing operations for each year/period during the Track Record Period:

<u>Customer</u>	<u>Background</u>	<u>Revenue</u> <i>(RMB'000)</i>	<u>Percentage of total revenue</u> <i>(%)</i>	<u>Year of commencing business relationship</u>	<u>Major products purchased from us</u>
For the year ended December 31, 2023					
Customer A	Headquartered in Wuhan and principally engaged in semiconductor memory chip design, manufacturing, packaging and testing, and system solution services	205,421.3	15.7	2019	CMP materials
Customer B	Listed on the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in integrated circuit wafer foundry services and related technical services	103,312.0	7.9	2018	CMP materials
Customer C	Headquartered in Hefei and principally engaged in the R&D and manufacturing of new-type display products, as well as the supply of integrated solution services	102,723.1	7.9	2020	Semiconductor display materials
Customer D	Headquartered in Hefei and principally engaged in the R&D, production and sales of DRAM memory chips	84,753.3	6.5	2020	CMP materials
Jixun Technology	Headquartered in Beihai and principally engaged in the recycling of waste ink cartridges and the R&D and production of remanufactured ink cartridges	58,301.3	4.5	2014	Advanced semiconductor materials and others
Total		<u>554,511.0</u>	<u>42.5</u>		

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<u>Customer</u>	<u>Background</u>	<u>Revenue</u>	<u>Percentage of total revenue</u>	<u>Year of commencing business relationship</u>	<u>Major products purchased from us</u>
		<i>(RMB'000)</i>	<i>(%)</i>		
For the year ended December 31, 2024					
Customer A	Headquartered in Wuhan and principally engaged in semiconductor memory chip design, manufacturing, packaging and testing, and system solution services	386,340.9	19.8	2019	CMP materials
Customer B	Listed on the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in integrated circuit wafer foundry services and related technical services	196,772.9	10.1	2018	CMP materials
Customer E	Listed on the Shenzhen Stock Exchange, headquartered in Shenzhen and principally engaged in the R&D, production and supporting solution services of display panels	160,436.6	8.2	2021	Semiconductor display materials
Customer C	Headquartered in Hefei and principally engaged in the R&D and manufacturing of new-type display products, as well as the supply of integrated solution services	157,721.9	8.1	2020	Semiconductor display materials
Customer D	Headquartered in Hefei and principally engaged in the R&D, production and sales of DRAM memory chips	140,458.2	7.2	2020	CMP materials
Total		<u>1,041,730.5</u>	<u>53.4</u>		

BUSINESS

<u>Customer</u>	<u>Background</u>	<u>Revenue</u>	<u>Percentage of total revenue</u>	<u>Year of commencing business relationship</u>	<u>Major products purchased from us</u>
		<i>(RMB'000)</i>	<i>(%)</i>		
For the year ended December 31, 2025					
Customer A	Headquartered in Wuhan and principally engaged in semiconductor memory chip design, manufacturing, packaging and testing, and system solution services	467,480.3	19.0	2019	CMP materials
Customer B	Listed on the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in integrated circuit wafer foundry services and related technical services	268,817.2	10.9	2018	CMP materials
Customer D	Headquartered in Hefei and principally engaged in the R&D, production and sales of DRAM memory chips	208,474.1	8.5	2020	CMP materials
Customer C	Headquartered in Hefei and principally engaged in the R&D and manufacturing of new-type display products, as well as the supply of integrated solution services	187,231.6	7.6	2020	Semiconductor display materials
Customer E	Listed on the Shenzhen Stock Exchange, headquartered in Shenzhen and principally engaged in the R&D, production and supporting solution services of display panels	184,189.3	7.5	2021	Semiconductor display materials
Total		<u>1,316,192.5</u>	<u>53.5</u>		

BUSINESS

Customer	Background	Revenue (RMB'000)	Percentage of total revenue (%)	Year of commencing business relationship	Major products purchased from us
For the four months ended April 30, 2026					
Customer A	Headquartered in Wuhan and principally engaged in semiconductor memory chip design, manufacturing, packaging and testing, and system solution services	197,357.1	18.1	2019	CMP materials
Customer B	Listed on the Hong Kong Stock Exchange, headquartered in Shanghai and principally engaged in integrated circuit wafer foundry services and related technical services	119,387.8	11.0	2018	CMP materials
Customer D	Headquartered in Hefei and principally engaged in the R&D, production and sales of DRAM memory chips	104,865.7	9.6	2020	CMP materials
Customer F	Listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, headquartered in Ningde and principally engaged in the R&D, production and sale of lithium-ion batteries and energy storage systems	89,408.7	8.2	2019	New energy materials and others
Customer E	Listed on the Shenzhen Stock Exchange, headquartered in Shenzhen and principally engaged in the R&D, production and supporting solution services of display panels	56,113.8	5.2	2021	Semiconductor display materials
Total		<u>567,133.1</u>	<u>52.1</u>		

Jixun Technology, one of our five largest customers in 2023 and our former subsidiary, is an associate of our Company. As of the Latest Practicable Date, our Company held 44.0% equity interest in Jixun Technology. Accordingly, our Single Largest Group of Shareholders and those Directors holding shares in our Company, indirectly hold equity interest in Jixun Technology through our Company.

We sold integrated circuit chips to Jixun Technology for their manufacturing of ink cartridges. Our Directors confirm that the transactions with Jixun Technology were conducted in the ordinary and usual course of business as normal commercial arrangements, the terms of such transactions were fair and reasonable, and that such arrangements did not have any adverse impact on the operational independence, pricing mechanism or business arrangements of our Company.

Save as disclosed above, none of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers for each year/period during the Track Record Period.

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Overlapping Customers and Suppliers

To the best knowledge and belief of our Directors, during the Track Record Period, one of our major customers was also our supplier, and one of our major suppliers was also our customer.

Customer A

Customer A, one of our five largest customers in 2023, 2024 and 2025 and for the four months ended April 30, 2026, was also one of our suppliers in 2023, 2024 and 2025. We purchased consumables from Customer A and sold our CMP Pads to them. For the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, purchases from Customer A accounted for 0.9%, 0.2%, 0.03% and nil of our total purchases, respectively, while revenue generated from Customer A accounted for 15.7%, 19.8%, 19.0% and 18.1% of our total revenue for the same years/periods, respectively.

Supplier B

Supplier B, one of our five largest suppliers in 2023 and 2024, was also one of our customers in 2023, 2024 and 2025 and for the four months ended April 30, 2026. Supplier B manufactured chips for us, and we sold CMP materials to them. For the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, revenue generated from Supplier B accounted for 0.4%, 0.9%, 1.5% and 1.3% of our total revenue, respectively, while purchases from Supplier B accounted for 4.2%, 3.0%, 2.4% and 3.2% of our total purchases for the same years/periods, respectively.

The overlap between customers and suppliers during the Track Record Period was due to actual business needs. According to Frost & Sullivan, such cooperation model represents a reasonable utilization of existing business relationships and supply chain resources and is common in the semiconductor industry.

When conducting sales and procurement transactions with the above counterparties that are both our customers and suppliers, we negotiate the transaction terms independently, and the businesses are mutually independent and are not conditional upon or ancillary to each other. Our Directors confirm that all sales and procurement transactions between us and these counterparties were conducted in the ordinary course of business, on normal commercial terms and in accordance with the principles of fair dealing.

Pricing

We determine the pricing of our products by considering a range of factors, including customer demand, the competitive environment, the cost of the relevant products and the customer’s market position. In assessing the competitive environment, we take into account our relative strengths and weaknesses, competitors’ pricing strategies and others. Product costs include costs related to production, R&D and operations, which may vary depending on the product type. Based on these factors, we establish a base price and then adjust it on a case-by-case basis to reflect each customer’s specific requirements.

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Quality Assurance and After-Sales Service

We maintain close communication with customers through our on-site technical service personnel, follow up on product usage in a timely manner and provide support on relevant technical issues, which helps enhance customer service efficiency and product user experience. Our team is also able to provide a 24-hour response when needed. We also support customers’ technology development and yield improvement efforts through ongoing technical engagement.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns or any claims from customers that materially and adversely affected our results of operations or financial position, nor did we make any provision for product liabilities during the Track Record Period.

QUALITY CONTROL

We are dedicated to delivering high-quality products to our customers. We have implemented a comprehensive, tailored quality control system that covers the entire lifecycle of our products, primarily including (i) research and development quality control, (ii) supply chain quality control, (iii) production quality control, and (iv) customer service quality control.

- **Research and development quality control.** We control product quality and safety from the design stage by setting project timelines based on technical complexity. Our advanced in-house validation laboratories, equipped with high-precision testing equipment, simulate customers’ production environments to support extensive internal testing and reduce validation costs and development cycles. We also hold technical exchanges among experts and R&D leaders across our subsidiaries to promote knowledge sharing, strengthen cross-disciplinary collaboration, and accelerate the resolution of complex technical challenges and innovation, thereby significantly enhancing the reliability of our development process.
- **Supply chain quality control.** We have strengthened supplier management by requiring suppliers to meet more than a dozen specific criteria before their goods are accepted. We conduct annual on-site audits and regular assessments of suppliers, and all raw materials are inspected before being released for production. We also maintain strict controls over hazardous chemicals, including precursor chemicals, explosive precursor chemicals, and other dangerous chemicals. This approach provides a strong guarantee for our production process.
- **Production quality control.** We ensure production quality through rigorous personnel and equipment management. Our production quality control process is supported by dedicated quality management personnel, all of whom must pass relevant assessments before assuming their roles. We operate under established product qualification and quality management systems, which are subject to annual reviews by third-party certification bodies and recertification audits every three years. In addition, customers conduct on-site audits before product introduction, during trial validation, and throughout the course of annual cooperation. To further safeguard product quality, we carry out preventive maintenance and regular equipment calibration, provide internal training on quality tools, and strengthen quality awareness across the organization.

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- **Customer service quality control.** We are committed to delivering high-quality customer service through a comprehensive after-sales management system and a dedicated support team. For key customers, we establish specialized teams and assign on-site personnel to work closely with them, providing technical consultation, on-site support, real-time monitoring of product performance, and assistance with technical optimization, product development, and qualification rate improvement. In addition, our sales and marketing personnel conduct follow-up visits from time to time, and we maintain a rapid response mechanism for customer feedback and complaints to ensure timely resolution and a high level of customer satisfaction.

Through this holistic approach of quality management, we are dedicated to ensuring the excellence and reliability of our products. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product liability claim due to quality issues that were material to our business, results of operations or financial position.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

Our inventory includes raw materials, finished goods, and work-in-progress. Most of our warehouses are self-owned. In addition, we lease third-party warehousing facilities. Warehouse management personnel are appointed by us, while loading and unloading operations are carried out by the lessors. We have established and consistently applied a comprehensive inventory management system to monitor inventory levels with reference to production schedules and sales performance, supported by standardized procedures and approval processes governing inventory movements and stock control. We use a warehouse management system, monitor inventory levels in real time, and maintain temperature- and humidity-controlled warehouses and apply high standards to manage the quality of raw materials and products.

Under our logistics process, orders are placed by our warehouse and logistics department and assigned to warehouse staff, who confirm the storage location of the relevant goods and arrange picking on a first-in, first-out basis. Following inspection by quality control personnel, third-party logistics providers are engaged to arrange suitable vehicles for delivery, after which the goods are released from the warehouse.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business. We hold a broad portfolio of intellectual property rights related to our core technologies and dedicate substantial time and resources to their continuous development and protection. We rely on a combination of patent, copyright, and trademark protection laws as well as confidentiality procedures and contractual provisions to protect our intellectual property rights. As of April 30, 2026, in relation to our continuing operations, we had 613 patents, 73 copyrights, and 181 trademarks in China and overseas. For details, see “Appendix IV — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights.”

We have used our best efforts to ensure compliance with applicable intellectual property laws. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any intellectual property infringement actions that, individually or in the aggregate, would have a material and adverse effect on our business, financial condition and results of operations. For details, see “Risk Factors — Risks Relating to Our Industry and Business — Our business depends

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on our ability to protect our intellectual property rights. We may be subject to infringement and other claims by third parties in the PRC or other jurisdictions, which, if successful, could cause us to pay significant damages and incur other costs.”

We protect our intellectual property through strategic measures, including filing applications and registrations, implementing anti-counterfeiting mechanisms, particularly for trademarks and designs, and pursuing litigation where necessary to address actual or potential infringement. Despite these efforts, unauthorized parties may still obtain, misuse, or misappropriate our intellectual property. As of the Latest Practicable Date, to the best of our knowledge, we did not identify any such misappropriations of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business and results of operations. For details, see “Risk Factors — Risks Relating to Our Industry and Business — Our business depends on our ability to protect our intellectual property rights. We may be subject to infringement and other claims by third parties in the PRC or other jurisdictions, which, if successful, could cause us to pay significant damages and incur other costs.”

PROPERTY

Self-Owned Land and Properties

As of April 30, 2026, we obtained 65 real estate ownership certificates in China, pursuant to which we own the right to use construction land with an aggregate site area of over 470,000 sq.m. with an aggregate GFA of over 220,000 sq.m. In addition, we hold the land use rights to a plot of industrial land in Malaysia covering an area of over 80,000 sq.m. These land and properties are primarily used as our existing and planned production facilities and office premises. For details, see “— Production — Production Bases.” We hold the valid title for these parcels of land and the relevant building ownership certificates. As confirmed by our PRC Legal Advisors, we have obtained valid legal titles to these properties and land use rights for the land occupied by these buildings, and that we are entitled to legally occupy, use, benefit from, transfer, lease, pledge or otherwise dispose of these properties.

Leased Properties

As of April 30, 2026, we leased 15 properties with a total gross floor area of approximately 31,000 sq.m. in China, and one property in Malaysia, with a gross land area of approximately 4,000 sq.m. We plan to renew our leases or negotiate new terms when the existing leases expire. As of the Latest Practicable Date, all lessors are Independent Third Parties. We did not experience any material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date. We believe that there is a sufficient supply of suitable properties in the places where we operate to meet our current and foreseeable operational needs.

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As of April 30, 2026, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempt from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group’s interests in land or buildings.

COMPETITION

The markets in which we operate are competitive. We compete with both overseas and domestic enterprises across our principal business segments, including CMP materials, OLED coating-type functional materials, high-end wafer photoresist, and universal color toner for printing and copying. Our principal competitors include multinational companies headquartered in the U.S., Japan, and South Korea, as well as domestic enterprises, many of which are publicly listed and possess well-established brand names, extensive product portfolios, and significant financial and technological resources. The markets in which we operate are generally concentrated, and competition is based primarily on product performance and reliability, technological capability, customer service and responsiveness, supply chain security, and price. For details, see “Industry Overview.”

We believe we compete effectively by leveraging our comprehensive product portfolio spanning from CMP materials to semiconductor display materials, advanced packaging materials, and high-end wafer photoresist, our end-to-end proprietary capabilities in research, development, and production starting from core raw materials, and our deep and long-standing customer relationships with industry-leading semiconductor manufacturers. The semiconductor materials industry is characterized by high barriers to entry, including stringent technological requirements spanning multiple disciplines, lengthy customer certification and qualification cycles, substantial capital investment needs, and the necessity to attract and retain interdisciplinary talent with deep expertise in materials science and engineering. We believe these barriers, together with our established market position, proven track record, and proprietary technology platforms, provide us with significant competitive advantages. For further details on our competitive strengths, see “— Our Competitive Strengths.”

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LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, approvals and permits that are material and necessary for our business operations in jurisdictions where we operate, and such licenses, approvals and permits remained valid and subsisting as of the Latest Practicable Date. We believe that there is no material impediment to renew our licenses and permits.

The following table illustrates the key licenses and permits held by us as of the Latest Practicable Date:

<u>License/Permit</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Expiration Date</u>
Hazardous Chemicals Business License	Hubei Dinglong Co., Ltd.	Administrative Approval Bureau of Wuhan Economic and Technological Development Zone (Hannan District)	June 2028
	Rouxian Science and Technology		November 2027
Hazardous Chemicals Registration Certificate	Rouxian Science and Technology	Hubei Provincial Hazardous Chemicals Registration Office/ Chemical Registration Center of the Ministry of Emergency Management	December 2027
	Dinglong (Xiantao) New Materials		April 2027
Safety Production Permit	Dinglong (Xiantao) New Materials	Hubei Provincial Department of Emergency Management	January 2028

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AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our products, technologies and innovations. The following table sets out major awards and recognitions we received in recent years:

<u>Year</u>	<u>Award/Recognition</u>	<u>Awarding Institution/Authority</u>
2026	2025 Outstanding Supplier	A leading semiconductor wafer foundry
2025	Excellent Supplier	A leading power battery company
2025	Innovation Breakthrough Award (OLED Display Materials)	China Electronic Materials Industry Association
2025	Outstanding Supplier 2024 Sincere Collaboration Award	A leading semiconductor wafer foundry in South China
2024	2023 China New Display Industry Chain Contribution Award	China Electronic Materials Industry Association
2024	DIC AWARD 2024 Display Material Innovation Gold Winner (PSPI)	Display Innovation China Award Committee
2024	Outstanding Contribution Award (PSPI)	China Electronic Materials Industry Association
2023	Outstanding Supplier Award	A leading semiconductor wafer foundry

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

While we may from time to time become a party to various legal, arbitral, or administrative proceedings arising in the ordinary course of our business, we are not currently exposed to any material litigation risks. During the Track Record Period and up to the Latest Practicable Date, neither our Group, nor any of our Directors were involved in any actual, pending, or threatened litigation, arbitration, or administrative proceedings that could have a material adverse effect on our business, financial condition, or results of operations. Furthermore, to the best knowledge of our Directors, no such material proceedings are currently pending or threatened against us or our Directors.

Compliance

We maintain rigorous compliance with all applicable laws and regulations governing our operations in all material respects. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any systemic or material non-compliance incidents that resulted in significant fines, enforcement actions, or other administrative penalties. We had not experienced any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material and adverse impact on our business, financial condition or results of operations.

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IMPACT OF TRADE RESTRICTIONS AND INTERNATIONAL SANCTIONS

Sanction Risks

U.S. Sanctions

Primary Sanction Risk

During the Track Record Period, we made sales of CPT and toner cartridges to customers located in Iran, which is subject to comprehensive U.S. economic sanctions. Certain sales to Iran involved payments in USD (“**Iran USD Sales**”). As advised by our International Sanctions Legal Advisors, these Iran USD Sales appear to be in violation of the U.S. primary sanctions laws. During the Track Record Period, we received 23 USD wire transfers from such Iran USD Sales, totaling in the amount of approximately US\$1.3 million, representing approximately 0.1% of our aggregated revenue during the Track Record Period. After consulting with our International Sanctions Legal Advisors, we made an initial notification of Voluntary Self Disclosure (“**VSD**”) to the Office of Foreign Assets Control of the United States (“**OFAC**”) on July 2, 2026 related to the Iran USD sales. As advised by our International Sanctions Legal Advisors, a VSD effectively minimizes the risk of a company or individual being placed on the Specially Designated Nationals and Blocked Persons List (the “**SDN List**”) for primary sanctions violations because it changes the regulatory track from punitive asset-blocking to administrative civil mitigation.

According to the base penalty matrix specified under the OFAC Enforcement Guidelines, cases where the apparent violation is disclosed through a VSD can result in a 50 percent reduction in the base amount of a proposed civil penalty. In a non-egregious case, the base penalty amount applicable to our Group would be one-half of the transaction value, capped at a maximum base amount of US\$188,850 per violation, except where the statutory maximum penalty applicable to the apparent violation is less than US\$377,700, in which case the base amount of the proposed civil penalty shall be capped at one-half the statutory maximum penalty applicable to the apparent violation. In an egregious case, the base penalty amount applicable to our Group would be one-half of the applicable statutory maximum penalty applicable to the violation. However, whether our case will be deemed egregious is subject to OFAC’s discretion. As advised by our International Sanctions Legal Advisors, in practice, OFAC is unlikely to impose a civil penalty greater than the transaction value in cases where a VSD is filed, and OFAC may impose a civil penalty that is significantly lower than 50 percent of a proposed civil penalty. OFAC may also close its investigation without taking further action through a negotiated settlement process by considering mitigating factors such as first-time offense, voluntary disclosure and cooperation with OFAC.

We believe the penalty amount will not materially and adversely affect our financial position, operating results, or cash flows. We have ceased all the business activities related to Iran.

Secondary Sanctions Risk

As advised by our International Sanctions Legal Advisors, considering that: (i) the CPT and toner cartridges exported to Iran are mainly used for printers and will not be applied to the sanctioned sectors of the Iranian economy; (ii) items exported to Iran are for civilian end-uses only; (iii) none of counterparties has been designated as a Sanctioned Target; and (iv) we have ceased all the business activities related to Iran, our exposure to secondary sanctions risks under the Iranian sanctions regime remains low.

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Sanction Risks to Relevant Persons Resulting from Participation in [REDACTED]

Given the scope of the [REDACTED] and the expected [REDACTED] as set out in this document, our International Sanctions Legal Advisors are of the view that the involvement by parties in the [REDACTED] will not implicate any applicable international sanctions on such parties, including our Company, and [REDACTED] and shareholders and persons who might, directly or indirectly, be involved in permitting the [REDACTED], [REDACTED], clearing and settlement of its shares, including the Stock Exchange and related group companies, the Joint Sponsors, the [REDACTED] and the [REDACTED] of the [REDACTED].

Our Undertakings to the Stock Exchange

We undertake to the Stock Exchange that:

- we will implement the internal control measures to minimize international sanctions risk as described above;
- we will not use the [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange, whether directly or indirectly, to finance or facilitate any activities or businesses with, or for the benefit of, any sanctioned regions or any other government, individual or entity sanctioned by the U.S., the EU, or the UK, including but not limited to, any government, individual or entity that is the subject to any OFAC-administered sanctions or that would be in breach of sanctions imposed by the U.S., the UN, the EU, the UK and Australia;
- we will not use the [REDACTED] from the [REDACTED] to pay any damages for terminating or transferring any contract that violates international sanctions;
- we will not undertake any future business that would cause us, the Stock Exchange, [REDACTED], [REDACTED], Joint Sponsors, our Shareholders, or potential [REDACTED] to violate or become a target of sanctions laws of the U.S., the UN, the EU, the UK and Australia;
- we will make timely disclosure on our website if we believe that any of our business activities would put us or our Shareholders and [REDACTED] at risks of being in breach of the sanctions imposed by the U.S., the UN, the EU, the UK and Australia; and
- we will also include such disclosures in our annual or interim reports and the discussion of our efforts on monitoring our business exposure to sanctions risk, the status of our future business (if any) in any country subject to sanctions imposed by the U.S., the UN, the EU, the UK and Australia, and our business intention relating to customers from any such country.

Our Internal Control Measures to Minimize International Sanctions Risk

We will continue to enhance internal control and risk management measures which we believe enable us to better monitor and evaluate our business and to address economic sanctions risks.

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In particular, our International Sanctions Legal Advisors have recommended the following compliance measures. Our International Sanctions Legal Advisors are of the view that, these measures are consistent with guidance published by OFAC regarding sanctions compliance programs, and are adequate and effective for us to comply with applicable international sanctions laws and to address sanctions risks.

- We will adopt a Trade Compliance Policy for the purposes of complying with applicable international sanctions.
- Our Trade Compliance Policy will include appropriate procedures to:
 - identify the sanctions regimes currently in place in various countries and assess the degree of risk associated with conducting business in or with sanctioned countries;
 - establish a robust screening mechanism to identify whether transaction counterparties are listed on the SDN List, Entity List or any other restrictive lists (the “**Restrictive Lists**”) maintained, announced or issued by the United Nations Security Council or the competent authorities of the major judicial jurisdictions, including without limitation the PRC, U.S., EU, UK, and Australia (“**Relevant Jurisdiction**”). The results of the screening will enable us to assess the extent of legal, commercial, or reputational risks and determine appropriate measures to mitigate such risks. The process is designed to avoid any violation of primary sanctions, and any transaction identified to be involved or will be involved secondary sanction risks will be escalated to the Sanctions Oversight Committee for evaluation and approval;
 - stipulate that if any proposed business involves a country/region subject to comprehensive sanctions, such business must be escalated to the Sanctions Oversight Committee for evaluation and approval;
 - define a clear protocol for action in the event of a potential violation. If any non-compliant activity is detected, we will immediately cease the transaction and escalate to the Sanctions Oversight Committee. Notify the Relevant Jurisdiction as appropriate and take remedial measures; and
 - continuously monitor for any changes in relevant laws and regulations maintained, announced or issued by the Relevant Jurisdiction and update our Trade Compliance Policy promptly so that it remains current and fully effective;
- We will establish a Sanctions Oversight Committee to coordinate the implementation of the Trade Compliance Policy.
- The Sanctions Oversight Committee will be authorized to engage external legal advisors with relevant expertise and experience in sanctions matters to evaluate the sanctions risk as and when necessary and will formulate risk management measures taking into account the advice and recommendations provided by such external legal advisors. Furthermore, we will periodically retain independent external sanctions experts to audit our Trade Compliance Policy and relevant internal control measures, verifying their ongoing adequacy and effectiveness.

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- The Sanctions Oversight Committee will be authorized to arrange appropriate compliance training for our Directors, our senior management, and other relevant personnel to assist them in evaluating the potential sanctions risks in our daily operations.
- We will open and maintain separate bank account(s) which is/are designated for [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange. Our Sanctions Oversight Committee will monitor and regulate the [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any sanctioned country or any other government, individual, or entity sanctioned by the U.S., the EU, or the UK.

With regard to the internal control measures set out above, subject to the planned full implementation and enforcement of the above measures, our Directors and the Joint Sponsors, after taking into account the view of our International Sanctions Legal Advisors, are of the view that these measures will provide an adequate and effective framework to assist us in identifying and monitoring any material risks relating to sanctions laws.

DATA PRIVACY AND PROTECTION

We collect and store data arising from transactions with our corporate customers, including customer names, addresses, contact details and order information. As most of our transactions are conducted with corporate customers, we generally do not collect or process customers’ personal information or important data as defined by the relevant PRC authorities. We also did not engage in any cross-border data transfers during the Track Record Period and are not deemed to be an operator of critical information infrastructure under the Cybersecurity Review Measures. According to our PRC Legal Advisors, we had complied, in all material respects, with applicable PRC laws and regulations relating to data security during the Track Record Period and up to the Latest Practicable Date.

Notwithstanding the foregoing, data privacy and cybersecurity have become increasingly important compliance and governance matters in recent years, both in the PRC and globally. In this context, the PRC legislature and relevant governmental authorities may continue to promulgate or enhance laws and regulations relating to cybersecurity, data security and privacy protection. As a result, our data collection, use, storage, disclosure and transfer practices may become subject to heightened regulatory oversight. For details, see “Risk Factors — Risks Relating to Our Industry and Business — Security breaches and other disruptions to our technology networks and systems could compromise our confidential and proprietary information and interrupt our operations, which could adversely affect our business and reputation.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Guided by our mission of “Materials Drive Innovation, Innovation Leads the Future,” we remain committed to technological innovation as the core driver of our development. We have deeply integrated ESG principles into every aspect of our business operations and are steadily advancing the implementation of sustainable development.

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ESG Governance Structure

To ensure the soundness and transparency of our ESG governance, we plan to establish a three-tier ESG governance structure comprising the Board of Directors, the Board’s Strategy and Sustainability Committee, and the ESG Working Group. The Board of Directors, as the highest decision-making body, is responsible for reviewing and approving ESG strategic plans, governance systems, disclosure reports, and response plans for major risks. The Board’s Strategy and Sustainability Committee serves in a research and guidance capacity, analyzing ESG policy trends, reviewing relevant systems and reports, overseeing implementation, and identifying major risks and opportunities. The ESG Working Group, led by the Board Secretary, is responsible for specific implementation tasks, including the formulation of strategies and annual plans, the breakdown of metrics, progress tracking, system refinement, and stakeholder communication. Additionally, we plan to engage external experts or professional institutions as needed to provide support, and we will establish regular communication channels to solicit feedback from all stakeholders, thereby ensuring the efficient operation of our ESG governance framework.

Environmental Metrics and Management

We are committed to implementing internal policies that promote energy conservation and environmental protection in our daily operations, thereby reducing our overall environmental impact. Several of our subsidiaries have obtained ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications, laying a solid foundation for the Company’s green, low-carbon transition and sustainable operations.

Emissions Management

We have established a tiered control system covering the entire process for air emissions, wastewater, solid waste, and hazardous waste. Regarding air emissions, in accordance with the *Supervision and Management System for On-Site Air Emissions Control*, we conduct daily facility inspections and monthly maintenance, monitor emissions, and implement a total emissions warning system and a production suspension mechanism when emissions approach regulatory thresholds. For wastewater, the *Operating Procedures for the Wastewater Treatment Plant* stipulate that wastewater must undergo multi-stage treatment to ensure the effluent meets the Class III requirements of the *Comprehensive Wastewater Discharge Standards*. Solid waste management follows the classification guidelines outlined in the *Regulations on the Management of Industrial Solid Waste*. Hazardous waste must be stored in designated areas with clear identification markers, and its transfer is subject to IoT-based reporting and enhanced regulatory oversight.

Regarding waste reduction targets, each subsidiary has established a *Hazardous Waste Management Plan* that outlines projected annual hazardous waste generation and reduction goals. We have adopted a reduction strategy focused on “optimizing processes to replace toxic raw materials, improving raw material utilization rates, and strictly controlling the classification and storage of materials to prevent cross-contamination,” thereby continuously mitigating environmental risks through source control and process optimization. In recent years, we have continued to strengthen our green environmental governance system, achieving a 100% recycling rate for relevant resources and effectively balancing the sustainable operational goals of increasing production capacity, ensuring environmental compliance, and managing costs.

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The following table sets forth our waste discharge and recycling statistics of our Wuhan Headquarters, Xiantao Campus, and Qianjiang Campus for the years/periods indicated:

<u>Category</u>	<u>Unit</u>	<u>For the year ended December 31,</u>			<u>For the four</u>
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>months ended</u>
					<u>April 30,</u>
					<u>2026</u>
Hazardous Waste	tonnes	1,255	2,989	3,668	1,317
Non-hazardous Waste	tonnes	1,964	1,699	1,622	730
Volume of Hazardous Waste					
Recycled	tonnes	1,255	2,989	3,668	1,317
Volume of Non-hazardous Waste					
Recycled	tonnes	1,964	1,699	1,622	730

Resource Consumption

We have established an energy-saving target accountability system and evaluation mechanism through our *Energy Conservation Management System*. To support this, we have set up an energy-saving incentive fund to provide special rewards for relevant technological innovations and impose penalties for violations such as exceeding water quotas, unauthorized electrical connections, and leaving lights on unnecessarily. Regarding air conditioning management, we have stipulated that the cooling temperature in summer shall not be set below 26°C and the heating temperature in winter shall not exceed 20°C. We require that units be turned off when people leave and shut down when unoccupied. Dedicated personnel conduct regular inspections and maintenance to prevent obstructed air vents and abnormal energy waste. We require that lighting be turned off when people leave and prioritize the use of natural light during the day.

We require that production equipment be shut down when idle; high-power equipment must utilize variable-frequency speed control and waste heat recovery; and office computers, printers, and other devices must be switched to standby mode or powered off during non-working hours. Department heads are responsible for conducting daily inspections to ensure compliance. Regarding water management, we are prioritizing the water-saving renovation project in the CPT workshop, promoting the recycling of cooling water and process water, conducting regular water balance tests, renovating aging pipeline networks, and strictly controlling leaks and waste of domestic water. We have established a monthly energy consumption reporting system and a semi-annual evaluation mechanism to continuously optimize water and electricity consumption quotas and energy-saving technical renovation projects. As our production capacity continues to expand steadily, our resource consumption has risen accordingly. We are driving cost reductions and efficiency gains through refined operational management, optimizing processes for the recycling of production resources, and steadily improving our overall resource utilization efficiency.

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The following table sets forth our resource consumption and recovery figures of our Wuhan Headquarters, Xiantao Campus, and Qianjiang Campus for the years/periods indicated:

Category	Unit	For the year ended December 31,			For the four months ended
		2023	2024	2025	April 30, 2026
Electricity	MWh	36,746	58,944	80,866	26,330
Water	tonnes	581,526	867,576	1,153,446	388,302
Volume of water recovered	tonnes	—	30,000	48,922	20,000

Carbon Management

We have established a unified carbon emissions management system and conduct rigorous annual inventories. By installing rooftop solar power plants at our facilities, we are increasing the proportion of renewable energy used and reducing the indirect emissions associated with net purchased electricity. At the same time, we rely on ground-source heat pump systems to efficiently convert geothermal energy for building cooling and heating, replacing traditional fossil fuel-powered air conditioning and heating equipment. This reduces carbon emissions intensity at the source and continuously supports the implementation of the “Dual Carbon” goals and our company’s low-carbon transition.

The following table sets forth our greenhouse gas emissions of our Wuhan Headquarters, Xiantao Campus, and Qianjiang Campus for the years/periods indicated:

Category	Unit	For the year ended December 31,			For the four months ended
		2023	2024	2025	April 30, 2026
Scope 1	tCO ₂ e	4,923.6	4,959.8	4,150.1	1,651.3
Scope 2	tCO ₂ e	19,497.7	40,549.4	58,053.6	21,454.9
Scope 3	tCO ₂ e	368.6	477.5	572.7	215.8

Social Metrics and Management

We uphold lawful and compliant employment practices and prioritize employee rights, occupational health and safety, talent development, responsible supply chain management, product responsibility, and community welfare. We continue to align corporate development with employee growth, customer trust, supply chain collaboration, and the creation of social value.

Employment

We comply with national and local labor laws and regulations and manage employment in accordance with the *Hubei Dinglong Employee Handbook* and other relevant internal policies, safeguarding employees’ rights to equal employment and freedom of occupational choice. The *Employee Handbook* specifies that we do not impose discriminatory recruitment criteria based on ethnicity, race, gender, religious belief, infectious disease or other factors, and prohibits all forms of forced labor. We do not employ minors; if child labor is identified, we will immediately cease the individual’s work and

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handle the matter in accordance with law. We have also established a quarterly performance appraisal mechanism under the *Group Performance Appraisal Management Policy*. The Human Resources Department coordinates policy formulation, process implementation, results consolidation, appeal handling, and oversight of the application of appraisal results, promoting fair and standardized performance evaluation. As of April 30, 2026, we had 2,761 employees, comprising 2,097 male employees and 664 female employees.

Occupational Health and Safety

We prioritize occupational health and safety management. The *Employee Handbook* requires employees to comply with all safety procedures, wear necessary personal protective equipment while at work, and receive training on work safety and fire safety, including the use of safety facilities and firefighting equipment and emergency response measures. We arrange one free occupational health examination for employees each year and have established management requirements for work-related injuries, infectious diseases, road safety, fire alarms and emergency response. Our facilities have obtained ISO 45001 Occupational Health and Safety Management System certification. In addition, we have formulated the *Environmental, Safety and Health Monitoring and Measurement Control Procedure*. The Safety Management Department organizes the monitoring and measurement of environmental, health and safety objectives, indicators and management plans, and regularly monitors operational controls, compliance with laws and regulations, occupational health, and safety matters.

Employee Development and Training

We regulate employee education and training through the *Training Management Policy* to enhance employees’ overall capabilities, professional skills and team competitiveness. Training comprises company-level training, department-level training and external training. New employee orientation covers the company overview, rules and policies, corporate culture, company-level safety education, information security and financial knowledge, among other topics, and new employees are permitted to assume their roles only after passing the assessment. Each department is responsible for preparing annual training plans and submitting training records, while the Human Resources Department consolidates plans, integrates resources, organizes implementation and compiles data. From 2023 through April 30, 2026, we conducted 1,742 training sessions, with 21,329 participants and a total of 113,693 training hours. During the Track Record Period, relevant training included “Empowering Leadership: Activating High-Performing Teams” and “Patent Intelligence Research Guide: Practical Patent Interpretation, Infringement Assessment and Search Techniques”, among others.

Sustainable Supply Chain

We integrate environmental, social and compliance requirements into supply chain management. Through the Supplier Corporate Social Responsibility Commitment, Supplier Checklist, Supplier Onboarding Process and Supplier Evaluation Management Procedure, we set requirements for suppliers’ labor, health and safety, environmental, and business ethics performance, and assess compliance through regular on-site audits. When selecting new suppliers, we prioritize suppliers certified to ISO 14001 and ISO 45001. Purchase orders also expressly require products to comply with environmental directives such as RoHS and REACH. The *Safe Supply Commitment* requires suppliers to comply with national laws, regulations and industry standards across operational management, employment practice, product quality, the environment and occupational health and safety; not to employ minors; to arrange working hours reasonably; and to ensure that minimum remuneration meets local standards.

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Product Responsibility and Data Privacy

We prioritize product quality and safety, compliance of advertising and labeling, and customer privacy protection. We have formulated the *Customer-Related Requirements Control Procedure*, which requires the Marketing Department to identify customers’ explicit and implicit needs, including requirements under laws, regulations and industry standards relating to environmental protection, safety and occupational health, and to continuously improve customer satisfaction through product requirement reviews, order reviews and customer communication. For advertising and labeling management, we have formulated the *Compliance Standards for Company Advertising and Labeling* to regulate product advertising, labels, packaging and technical documentation, ensure that external information is scientific, accurate and compliant, and mitigate risks of technical information leakage and legal exposure. For customer privacy and information security, we have formulated the *Customer Privacy Protection and Information Security Management Standards*, guided by the principles of lawfulness and fairness, data minimization, accountability alignment, full-process traceability, security and confidentiality, and dynamic risk prevention and control. We protect customer information through measures including access controls, log retention, data backups, risk assessments, compliance audits, vulnerability scans, and training and awareness programs.

Community and Philanthropy

We are actively engaged in community initiatives and support social welfare programs. Available records show that on August 9, 2024, we visited staff members of Wanjiahu Community and donated care packages; on June 18, 2024, we donated cash and supplies to the Care for Children in Difficulty and Migrant/Left-behind Children charitable donation event organized by the District Committee of the Chinese People’s Political Consultative Conference; ahead of the Chinese New Year on January 24, 2025, we donated to elderly residents of Zhangwang Village; and in June 2025, we donated to the Wuhan Disabled Persons’ Federation to support public welfare programs including rehabilitation assistance and skills training for persons with disabilities. From 2023 to 2025, we invested a total of RMB426,000 in philanthropy, including RMB105,000 in rural revitalization initiatives in 2025.

Anti-corruption

We uphold strict business ethics and integrity in our operations and are committed to operating with zero tolerance for corruption. We have formulated policies including the *Anti-fraud Policy*, *Anti-malpractice Management Policy* and *Code of Conduct for Integrity and Self-discipline*, expressly prohibiting fraud, malpractice, corruption and bribery across all employees. At the organizational and implementation levels, we have established anti-fraud leadership and working groups, clarified cross-functional responsibilities, embedded anti-corruption requirements throughout our internal control processes, and routinely conduct compliance training and warning education for all employees. We have also established a dedicated whistleblowing email address and multi-level reporting channels, and apply tiered disciplinary measures to misconduct, with employees subject to sanctions based on the severity of the violation. We update our policies dynamically to reflect regulatory and business developments and continuously strengthen our anti-corruption governance framework. During the Track Record Period, no corruption or bribery incidents related to the Company or its employees were recorded.

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EMPLOYEES

The quality and expertise of our workforce are critical to the success of our business, and we continually strive to attract, develop, and retain qualified and experienced personnel to support our operations and future growth. As of April 30, 2026, we had a total of 2,761 full-time employees, with almost all of them located in China.

The following table sets forth the numbers of our full-time employees categorized by function as of April 30, 2026:

<u>Function/Department</u>	<u>Number of employees</u>	<u>% of total employees</u>
Production	1,348	48.8
Research and development	1,014	36.7
Administration	282	10.2
Sales and marketing	77	2.8
Finance	40	1.5
Total	<u>2,761</u>	<u>100.0</u>

We recruit employees through various channels, including recruitment websites, campus recruitment, job fairs, employee referrals, talent markets, recruitment agencies and overseas recruitment channels. In compliance with the relevant PRC laws and regulations, we enter into standard employment contracts with our employees, covering matters such as compensation, benefits and grounds for termination, and including confidentiality and non-compete provisions.

Recognizing the importance of talent cultivation, we provide a variety of training and professional development programs designed to equip our employees with the technical knowledge, skills and competencies required for their respective roles, while also supporting their long-term career development. New employees participate in a comprehensive onboarding program with systematic training tailored to their functions and responsibilities, covering areas such as corporate culture, employee rights and responsibilities, workplace safety, data security and logistics, as well as specialized training in key areas relevant to our business.

We have established a labor union in accordance with applicable PRC laws and regulations to safeguard the rights and interests of our employees. Our labor union provides welfare benefits to employees, protects their legitimate rights and interests, and organizes various recreational activities to promote communication and cohesion among employees. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

INSURANCE

We consider our insurance coverage to be adequate, as we maintain mandatory insurance policies required under PRC laws and regulations and in line with the commercial practices of our industry. Our employee-related insurance includes pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations. We also

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maintain the property all risk insurance, primarily covering our production equipment. In line with general market practices, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. For details, see “Risk Factors — Risks Relating to Our Industry and Business — We may not have sufficient insurance coverage to cover our potential liability or losses and, as a result, our business, financial condition, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.”

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is critical to our success. Our Directors oversee and manage the overall risks associated with our operations. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system;
- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; and
- participation in training sessions by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong.

We have formulated a series of anti-bribery compliance policies in accordance with applicable laws and regulations as part of our internal control procedure. We have also established an employee code of conduct, which covers anti-bribery compliance requirements in our business operations. Employees involved in the accounting and finance functions are required to remain alert to suspicious transactions and to report any suspected violations. We also encourage employees to report any suspected violations in this area.

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Internal Control

We engaged an independent internal control consultant to perform an independent assessment of our internal controls, to identify deficiencies in our internal control system and to furnish recommendations on enhanced internal control measures. The work scope of our internal control consultant covered both company-level and process-level internal control assessments, including control environment, risk assessment, control activities, information and communication, monitoring, sales and accounts receivable management, procurement and accounts payable management, inventory management, production and cost control, human resources and compensation, fixed assets and intangible assets management, cash and treasury management, financial reporting and disclosure, insurance management, tax management, R&D management, and general IT controls.

- ***Financial Reporting Risk Management.*** We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, budget management policies and financial statements preparation policies. We also provide training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.
- ***Legal Compliance Risk Management.*** We have designed and adopted strict internal procedures to ensure compliance of our business operations with the relevant rules and regulations. We continuously review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. In addition, we strengthen our legal and compliance risk management by monitoring legal updates and accordingly update our internal protocols and procedures in a timely manner.
- ***Human Resources Risk Management.*** We provide specialized training tailored to the needs of our employees across different departments. We have in place an employee handbook approved by our management and distributed to our employees, which contains internal rules and guidelines regarding commercial practice, work ethics, fraud prevention mechanism, negligence and anti-corruption. We also have in place an anti-corruption policy to safeguard against corruption within our Company.
- ***Information System Risk Management.*** Sufficient maintenance, storage and protection of customer data and our business data are critical to our success. We have established relevant internal procedures and controls to ensure that data is protected and that leakage and loss of such data are avoided. We also regularly update our policies regarding our information system and engage in proactive threat monitoring and incident response.
- ***Quality Risk Management.*** We have implemented quality control measures to preserve the quality of our products. For details, see “— Quality Control.”