
SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in “Definitions” and “Glossary of Technical Terms” in this Document.

OVERVIEW

We are a prominent silver powder supplier in China with over a decade of operational experience and integrated research, development, production, and sales capabilities. Our silver powder products are primarily used in the production of PV silver paste, a crucial raw material in manufacturing PV cells. One of our key strengths lies in our ability to produce the advanced silver powder that is ultimately used in the production of more recent types of PV cells or their components, including, during the Track Record Period, front-side fine grids (正面細柵) in PERC cells, front-side fine grids (正面細柵) and rear-side high-copper paste (背面高銅漿料) in TOPCon cells, and conductive grids in HJT cells and xBC cells. According to Frost & Sullivan, in terms of PV silver powder sales revenue in China during each of the years ended 31 December 2023, 2024 and 2025, we ranked first, third, and third among all domestic manufacturers, with a market share of 10.0%, 9.8%, and 9.3%, respectively; and in terms of sales revenue of xBC cell silver powders in China in 2025, we ranked first among all PV silver powder manufacturers.

Our history can be traced back to March 2010, when our operating subsidiary, Janbon Colloidal Materials, was established with the aim of specialising in high-tech new energy and advanced materials. In December 2012, we launched a collaborative research and development project dedicated to the commercial production of silver powder for PV applications, which, according to Frost & Sullivan, makes us one of the earliest companies and a pioneer in China to focus on the research, development, manufacturing, and sales of PV silver powder production. Since then, our continued commitment and investment in this area have led to a number of successes. In March 2014, we constructed one of China’s earliest silver powder production lines using proprietary technology; in January 2019, we became one of the first enterprises in the industry to achieve industrial production with a single batch yield of over 100 kg of silver powder; in the fourth quarter of 2023, we established us as one of the first domestic companies capable of producing silver powder compatible with TOPCon cell LECO technology; in January 2025, we became a major domestic supplier of silver powder tailored for xBC cell application; and in 2026, our nano silver powder successfully completed customer validation for high-copper paste applications.

We have developed an independent and comprehensive system of silver powder production technology and processes with proprietary intellectual property rights, which allows us to swiftly respond to evolving customer and product requirements by offering a wide range of silver powder products that are ultimately utilised in the production of all mainstream PV cells, including PERC, TOPCon, HJT and xBC cells. Our production technology expertise covers all critical aspects of silver powder manufacturing, and has played a vital role in establishing and sustaining our market position in China’s silver powder production industry. As of the Latest Practicable Date, we held 20 invention patents and 31 utility model patents, most of which are related to PV silver powder manufacturing technology and processes.

During the Track Record Period, we generated all of our revenue in China and our revenue grew significantly, primarily driven by the general increase in the market price of silver and the overall increase in our sales volume of silver powder products during the same periods. Our revenue increased by 42.0% from RMB2,781.7 million for the year ended 31 December 2023 to RMB3,949.6 million for the year ended 31 December 2024, and further increased by 28.3% to RMB5,066.5

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million for the year ended 31 December 2025. Our revenue increased by 187.4% from RMB1,409.2 million for the five months ended 31 May 2025 to RMB4,050.5 million for the five months ended 31 May 2026.

Our profit for the year increased by 32.1% from RMB59.9 million for the year ended December 2023 to RMB79.1 million for the year ended 31 December 2024, and further increased by 113.1% to RMB168.5 million for the year ended 31 December 2025. Our profit for the period increased by 191.3% from RMB19.1 million for the five months ended 31 May 2025 to RMB55.7 million for the five months ended 31 May 2026. For the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026, our gross profit margin was 3.9%, 3.3%, 4.7%, 2.8%, and 2.0%, and our net profit margin was 2.2%, 2.0%, 3.3%, 1.4%, and 1.4%, respectively. As such, our primary business, namely sales of silver powder products, is generally a low profit margin business. This is mainly because we price our silver powder products by adding a mark-up to the price of silver, which represents most of the total price of our silver powder products and the total cost of our raw materials. In the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our cost of raw materials accounted for 99.3%, 99.4%, 99.5%, 99.4%, and 99.7% of our cost of sales, respectively, and our silver nitrate procurement costs accounted for 98.6%, 99.1%, 99.6%, 99.4%, and 99.6% of our procurement costs of raw materials, respectively. Operating with thin profit margins, together with other factors such as intense market competition, may render us more vulnerable to adverse macroeconomic or industry-specific developments.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are crucial to our current success and future growth: (i) a prominent silver powder supplier in China with over a decade of operational experience and integrated research, development, production, and sales capabilities; (ii) independent and comprehensive silver powder production technology supported by strong research and development capabilities; (iii) extensive and high-quality silver powder product portfolio; (iv) long-term, stable cooperation with key upstream and downstream partners; and (v) visionary and experienced management team. For further details, see “Business — Our Competitive Strengths”.

OUR STRATEGIES

Our goal is to become a leader in advanced new materials in the world. To accomplish this goal, we plan to implement the following strategies: (i) strengthen our market position in PV silver powder production in China; (ii) explore non-silver powder materials in the PV industry; (iii) expand into non-PV silver powder applications; and (iv) expand into the Middle East market and establish a research and development presence in East Asia. For further details, see “Business — Our Strategies”.

OUR PRODUCTS AND SERVICES

The table below provides a breakdown of our revenue by product and service types during the Track Record Period:

	Year ended 31 December									Five months ended 31 May					
	2023			2024			2025			2025			2026		
	Percentage of Total Revenue		Sales Volume	Percentage of Total Revenue		Sales Volume	Percentage of Total Revenue		Sales Volume	Percentage of Total Revenue		Sales Volume	Percentage of Total Revenue		Sales Volume
	Revenue	Revenue		Revenue	Revenue		Revenue	Revenue		Revenue	Revenue		Revenue	Revenue	
	(RMB in thousand)		(kg)	(RMB in thousand)		(kg)	(RMB in thousand)		(kg)	(RMB in thousand) (unaudited)		(kg)	(RMB in thousand)		(kg)
Sales of products	2,780,179	99.9%	529,760	3,943,547	99.8%	594,072	5,059,780	99.9%	570,279	1,403,777	99.6%	186,502	4,048,832	100.0%	211,193
Silver powder	2,756,497	99.1%	529,760	3,848,791	97.4%	594,072	4,932,158	97.3%	570,279	1,352,243	96.0%	186,502	4,001,122	98.8%	211,193
Others ⁽¹⁾	23,682	0.8%	N/A	94,756	2.4%	N/A	127,622	2.6%	N/A	51,534	3.6%	N/A	47,710	1.2%	N/A
Processing services ⁽²⁾	1,507	0.1%	N/A	6,073	0.2%	N/A	6,725	0.1%	N/A	5,444	0.4%	N/A	1,654	0.0%	N/A
Total	2,781,686	100%	529,760	3,949,620	100%	594,072	5,066,505	100%	570,279	1,409,221	100%	186,502	4,050,486	100.0%	211,193

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Notes:

- (1) Others primarily include silver powder generated as scrap or substandard products during our production and research processes, which we sell as recyclable precious metals.
- (2) Processing services refers to us providing processing services for some of our customers, whereby we manufacture and supply silver powder products to them using silver ingots provided by these customers and charge a processing fee.

During the Track Record Period, we derived most of our revenue from manufacturing and selling silver powder used in the production of PV silver paste, a crucial raw material in the manufacturing of PV cells. In addition, we generated a small percentage of our revenue from providing processing services to some customers, whereby we manufactured and supplied silver powder products to them using silver ingots provided by these customers and charged a processing fee.

Our product portfolio primarily includes a diverse selection of silver powder offerings that are ultimately used in the production of PV cells. Our products consist of both general PV silver powder and the advanced PV silver powder that is used in the production of more recent types of PV cells or their components. A small portion of our silver powder products are also used in non-PV applications, primarily high-quality electronic components such as semiconductor packaging and PCB printed circuit boards. The table below sets forth the major silver powder product series that we manufacture and offer on a commercial scale as of the Latest Practicable Date, and their product types and detailed technical specifications:

Product Series ⁽¹⁾⁽²⁾	Particle Size Distribution				Particle Crystal Structure
	D10 (μm) ⁽³⁾	D50 (μm) ⁽³⁾	D90 (μm) ⁽³⁾	D100 (μm) ⁽³⁾	
150-8	0.5-0.6	0.7-0.8	1.1-1.3	≤3	Monocrystalline
150-10	0.6-0.7	0.85-1.0	1.2-1.5	≤4	Monocrystalline
152-3	≤0.32	0.2-0.36	≤1	—	Monocrystalline
152-3T	≤0.32	0.2-0.36	≤1	—	Monocrystalline
152-5N	0.3-0.45	0.45-0.6	≤1	—	Monocrystalline
152-10	0.65-0.95	1.15-1.35	≤2.5	≤4.5	Monocrystalline
152-10H	0.55-0.9	0.9-1.1	1.2-1.7	1.5-3.6	Polycrystalline
152-10N	0.65-0.75	0.85-0.95	1.05-1.25	1.3-1.9	Monocrystalline
152-14H	0.85-1.00	1.15-1.25	1.45-1.65	1.8-2.7	Polycrystalline
152-16	0.85-1.25	1.3-1.5	1.5-2.5	2.2-6	Monocrystalline
152-16N	1.1-1.2	1.4-1.55	1.7-2.0	2.0-4.0	Monocrystalline
152-18	1.25-1.45	1.65-1.80	2.1-2.4	2.5-4	Monocrystalline
152-20	1.35-1.55	1.8-2.0	2.3-2.7	2.7-6.6	Monocrystalline
152-20N	1.4-1.55	1.85-2.0	2.3-2.6	2.6-4.0	Monocrystalline
152-20J	1.35-1.45	1.8-1.87	2.3-2.55	2.7-5.0	Monocrystalline
152-25105M	0.6-0.9	2.05-2.35	2.8-3.2	3.5-5.5	Polycrystalline
152-2010K	1.15-1.35	1.8-1.9	2.5-2.8	4.0-6.0	Monocrystalline
156-14L	0.85-1	1.15-1.25	1.5-1.75	2.0-3.1	Polycrystalline
156-16	1.05-1.15	1.35-1.5	1.8-1.9	2.3-2.55	Polycrystalline
156-16N	0.95-1.15	1.35-1.5	1.8-2.1	2.0-3.5	Polycrystalline
158-14K	0.8-1.0	1.18-1.34	1.45-2.0	≤6	Polycrystalline
158-16K	0.95-1.05	1.4-1.5	1.8-2.3	2.7-6.0	Polycrystalline
162-Q10	0.55-0.7	0.8-1.0	0.8-2.0	≤5	Polycrystalline
162-Q10B	0.6-0.7	0.85-0.95	1.15-1.35	≤3.3	Polycrystalline
162-10L	0.55-0.70	0.85-0.95	1.0-1.5	≤4	Polycrystalline
162-F2	0.7-0.9	1.2-1.32	1.8-2.2	≤5	Polycrystalline
166-13	0.7-0.85	1.0-1.2	1.35-1.8	2.0-4.0	Polycrystalline
168-20	1.2-1.4	1.8-1.95	2.5-2.8	4.0-6.0	Polycrystalline

Notes:

- (1) The names of the product series are generally based on our internal production generation and the specifications of the products.

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- (2) D10, D50, D90, and D100 values are statistical measurements obtained from laser particle size analyser to describe the particle size distribution of a sample: D10 represents the particle size below which 10% of the particles in the sample are smaller; D50, also known as the average particle size, the median, or the 50th percentile, represents the particle size below which 50% of the particles in the sample are smaller; D90 represents the particle size below which 90% of the particles in the sample are smaller; and D100 represents the maximum particle size in the sample.

For further details, see “Business — Our Products and Services”.

PRICING POLICY

We price our silver powder products by adding a mark-up to the prevailing market price of silver to account for our processing of silver nitrate or silver ingots into silver powder. The prevailing market price of silver is typically determined with reference to either the highest real-time price for Silver No. 1 on the Metal Information Network (金屬資訊網) at www.i001.com, or the real-time Ag(T+D) price (the trading price for silver spot deferred delivery contracts) on the Shanghai Gold Exchange (上海黃金交易所). We determine our mark-up by taking into consideration a number of factors, including the cost of supplemental raw materials such as reducing agents and dispersants, production costs, administrative expenses, transportation costs, competitors’ pricing, prevailing market conditions, anticipated market trends, and the specific features of the products.

PRODUCTION FACILITY

We operate a fully integrated plant located in Jinan, Shandong province, with a total site area of 57,998.0 sq.m. and a total gross floor area of 8,780.64 sq.m. The table below sets forth the total designed production capacity, actual production volume, and utilisation rates of our production facility during the Track Record Period:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
Designed Production Capacity (tonnes)⁽¹⁾	1,485	1,485	1,485	612
Actual Production Volume (tonnes)	545.4	644.3	614.5	226.5
Utilisation Rate (%)⁽²⁾	35.1%	43.4%	41.4%	37.0%

Notes:

- (1) The designed production capacity for 2023, 2024 and 2025 is calculated based on the following assumptions: an average production of 100 kg per batch, 45 batches per day, and 330 production days per year. The designed production capacity for the five months ended 31 May 2026 is calculated based on the following assumptions: an average production of 100 kg per batch, 45 batches per day, and 136 production days during the period (equivalent to 330 production days per year).
- (2) The utilisation rate for the year is calculated by dividing the actual production volume by the designed production capacity for the same year.

For further details, see “Business — Production”.

RAW MATERIALS AND SUPPLIERS

We source substantially all raw materials domestically, with silver nitrate as our primary raw material. During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our silver nitrate procurement costs amounted to RMB2,667.0 million, RMB3,830.4 million, RMB4,815.4 million, RMB1,392.8 million, and RMB4,062.0 million, representing 98.6%, 99.1%, 99.6%, 99.4%, and 99.6% of our procurement costs of raw materials, respectively.

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Our procurement of raw materials, primarily including silver nitrate, is concentrated to a certain extent. In the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, purchases from our largest supplier of raw materials in each year/period during the Track Record Period accounted for 51.1%, 47.9%, 68.7%, and 75.1% of our total amount of purchase, respectively, while our five largest suppliers of raw materials in each year/period during the Track Record Period accounted for 97.7%, 98.3%, 98.3%, and 99.8% of our total amount of purchase during the respective years/period. We believe that this concentration level is primarily due to the structural characteristics of the silver nitrate industry which is inherently concentrated. Frost & Sullivan is also of the view that the concentration of silver nitrate procurement is an industry norm in China, as the competitive landscape of the silver nitrate market is fairly consolidated.

Our suppliers of silver nitrate span a wide spectrum, ranging from state-owned enterprises to private enterprises. We have had enduring supply relationships with most of our principal suppliers of silver nitrate in China: Tongbai Hongxin New Material Co., Ltd.* (桐柏泓鑫新材料有限公司) (“Tongbai Hongxin”) for over 10 years, Shanghai Zhebo New Material Technology Co., Ltd.* (上海浙铂新材料科技有限公司) (“Shanghai Zhebo”) for over eight years, Jiangsu Jinji New Material Technology Co., Ltd.* (江蘇金集新材料科技有限公司) (“Jiangsu Jinji”) for over five years, Lanzhou Jinchuan Technology Park Co., Ltd.* (蘭州金川科技園有限公司) (“Lanzhou Jinchuan”) for over four years, and Zhejiang Hongda New Material Development Co., Ltd.* (浙江宏達新材料發展有限公司) (“Zhejiang Hongda”) for over three years.

For further details, see “Business — Raw Materials and Suppliers”.

CUSTOMERS

We operate a direct sales model. Our customers include well-known PV silver paste manufacturers and range from domestic listed and private companies to leading multinational enterprises. In the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, sales to our largest customer in each year/period during the Track Record Period accounted for 45.1%, 36.7%, 21.4%, and 20.7% of our total revenue for the respective years/period, while the combined revenue from our five largest customers in each year/period during the Track Record Period accounted for 94.8%, 84.4%, 71.1%, and 72.7% of our total revenue during the years/period.

Our revenue was concentrated among our largest customers to a certain extent. We believe that this concentration is reflective of the industry dynamics rather than an over-reliance on individual customers, as our customer portfolio generally aligns with their respective market shares in the overall industry. According to Frost & Sullivan, in 2025, our five largest customers, all prominent PV silver paste producers in China, collectively represented approximately 50% of the total domestic silver paste market in China by sales revenue. Frost & Sullivan is also of the view that the concentration of the PV silver powder sales market is an industry norm in China, as the competitive landscape of the PV silver paste market is fairly consolidated as described above. We have also actively expanded our customer base to mitigate customer concentration risks during the Track Record Period. As a result, the proportion of total revenue contributed by our largest customer in each year/period during the Track Record Period decreased from 45.1% in 2023 to 21.4% in 2025 and 20.7% in the five months ended 31 May 2026, while the contribution of our top five customers in each year/period during the Track Record Period decreased from 94.8% in 2023 to 71.1% in 2025 and 72.7% in the five months ended 31 May 2026. We believe that our current major customer structure is more balanced and poses substantially less concentration risk than in prior periods.

For further details, see “Business — Customers”.

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COMPETITIVE LANDSCAPE

China’s PV Silver Powder Industry

According to Frost & Sullivan, the total sales revenue of PV silver powder in China reached RMB52.5 billion in 2025 and the competition in global PV silver powder industry has intensified. Due to high technical barrier, there were nearly 30 PV silver powder manufacturers in the world as of 31 December 2025, with the top five PV silver powder manufacturers in China accounting for approximately 54.2% of sales revenue in 2025. The competitive landscape in the downstream PV silver paste sector is also highly concentrated, with the top five PV silver paste manufacturers in China accounting for approximately 60% of sales revenue in 2025. As a result, PV silver powder manufacturers must enhance their competitive advantages to secure a share of the limited customer base in the downstream PV silver paste industry. In light of this heightened competition, PV silver powder manufacturers have been boosting their R&D investments, enhancing product performance, expanding sales networks, and/or adjusting their payment term and mark-up levels to increase their market presence. These efforts serve to further intensify the competitive landscape within the industry.

China’s PV Silver Paste Industry

According to Frost & Sullivan, driven by an increase in downstream demand from the PV industry, rapid penetration of N-Type cells, and continuous technological innovation, the sales revenue of PV silver paste in China increased from approximately RMB16.9 billion in 2021 to RMB67.6 billion in 2025, growing at a CAGR of 41.4%. With the further development of the PV cell industry, the sales revenue of PV silver paste in China is expected to reach approximately RMB162.9 billion in 2030, representing a CAGR of 19.2% from 2025 to 2030. In addition, the PV silver paste industry in China is relatively concentrated. As of 31 December 2025, there were approximately 30 PV silver paste manufacturers in China, among which the top five manufacturers accounting for approximately 60% in terms of sales revenue in 2025.

China’s PV Cell Industry

According to Frost & Sullivan, driven by (i) concerns about carbon neutrality and energy security, (ii) economic viability and technological progress, and (iii) integrated energy storage systems providing complementary solutions, the production volume of PV cells in China increased from 198.0 GW in 2021 to 660.1 GW in 2025, with a CAGR of 35.1%. During the same period, the production volume of PERC cells, TOPCon cells, and HJT cells in China grew at a CAGR of –42.4%, 234.8%, and 71.2%, respectively. With the increasing market demand, the production volume of PV cells in China is expected to reach 1,226.2 GW by 2030, with a CAGR of 13.2% from 2025 to 2030. During the same period, the production volume of PERC cells, TOPCon cells, HJT cells, and xBC cells in China is expected to grow at a CAGR of –9.1%, 7.4%, 39.8%, and 46.1% from 2025 to 2030, respectively. In addition, the PV cell industry in China is relatively fragmented. As of 31 December 2025, there were approximately 250 PV cell manufacturers in China, among which the top five manufacturers accounted for 31.2% of sales volume in 2025.

According to Frost & Sullivan, the PV cell industry in China is facing the risk of overcapacity, which typically leads to a decline in PV cell prices as manufacturers compete to offload their surplus stocks, initiating a price war that can substantially erode profit margins. To maintain profitability, PV cell manufacturers have been actively working to decrease raw material costs and impose stricter pricing and payment terms on their suppliers, potentially intensifying competition within the PV silver powder industry. Therefore, PV silver powder manufacturers in China have to adjust their payment terms and mark-up levels to maintain customer relationships and enhance their market presence. Simultaneously, efforts are being made to address the overcapacity in the PV cell industry in China. For example, in August 2025, the China Photovoltaic Industry Association released the “Initiative on Further Strengthening Industry Self-Regulation and Jointly Safeguarding a Fair Competition-Oriented PV Market Order with Survival of the Fittest” (《關於進一步加強行業自律，共同維護公平競爭、優勝劣汰的光伏市場秩序的倡議》), aiming to stabilise significantly fluctuating

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PV module prices. For details, please see “Industry Overview — Global and China’s PV Silver Powder Industry — Market Drivers of PV Silver Powder Industry in China — Favourable Policies.” Intense competition over the past year has led to the removal of outdated production capacities (referring to the capacity that significantly lags behind the current mainstream industry standards in core indicators such as technological route, conversion efficiency, energy consumption, and environmental protection, lacks market competitiveness, and does not align with the direction of industrial development) and the exit of many small-scale enterprises from the market. The resulting capacity clearance and industry consolidation within the PV cell industry are expected to benefit market participants in PV related industries, including the PV silver powder sector.

Frost & Sullivan is of the view that, with the removal of outdated production capacities of PV cells, market shares become increasingly concentrated in leading PV cell manufacturers, who tend to establish stable partnerships with leading silver paste suppliers that possess stronger technical capabilities and mature production processes, so as to ensure consistency in mass production and excellent product performances. In developing silver paste formulations for high-efficiency PV cells, leading silver paste manufacturers have stringent requirements on the ability to control particle size, crystallinity, sintering activity, and dispersibility of PV silver powder, and tend to source from a limited number of reliable PV silver powder suppliers such as our Company and establish long-term and stable cooperations. Therefore, the demand for PV silver powder is expected to further concentrate in leading manufacturers such as our Company, which can alleviate excessive price competition, while a higher proportion of demand for advanced PV silver powder products is expected to enhance the competitiveness of leading PV silver powder manufacturers with strong technical capabilities. Nothing has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with the view of Frost & Sullivan as stated above.

In addition, according to Frost & Sullivan, the transition from P-type to N-type PV cells over the past few years led to the gradual phase-out of obsolete production capacity, while early adopters of new technologies expanded their market share through first-mover advantages and economies of scale. As this transition became largely complete, consolidation in China’s PV cell industry began to stabilise from 2025 onwards. In terms of production volume, the market share of the top five PV cell manufacturers in China remained stable at approximately 30% in 2024 and 2025, and the market share of the top five global PV cell manufacturers remained stable at approximately 27% in 2024 and 2025. Separately, the increasing market concentration among leading PV cell manufacturers may enhance their bargaining power over PV silver paste suppliers to some extent, particularly in relation to pricing, payment terms and supplier qualification standards, and such pressures may in turn be transmitted upstream to PV silver powder manufacturers. However, such bargaining pressure is expected to be mitigated for leading PV silver powder manufacturers with strong technical capabilities, stable mass-production capabilities and established customer relationships, such as our Group.

For further details, see “Industry Overview”.

OUR PROFITABILITY

Our primary business, namely sales of silver powder products, is generally a low profit margin business. For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our gross profit margin was 3.9%, 3.3%, 4.7%, 2.8%, and 2.0%, and our net profit margin was 2.2%, 2.0%, 3.3%, 1.4%, and 1.4%, respectively. This is mainly because we price our silver powder products by adding a mark-up to the price of silver, which represents most of the total price of our silver powder products and the total cost of our raw materials. In the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our cost of raw materials accounted for 99.3%, 99.4%, 99.5%, 99.4%, and 99.7% of our cost of sales, respectively, and our silver nitrate procurement costs accounted for 98.6%, 99.1%, 99.6%, 99.4%, and 99.6% of our procurement costs of raw materials, respectively. According to Frost & Sullivan, the average gross profit margin of domestic PV silver powder manufacturers was relatively low, ranging from 2% to 4% during the Track Record Period, primarily because (i) PV silver powder manufacturers typically adopt a cost-plus pricing model under which prices are quoted with reference to prevailing

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silver prices plus a mark-up, and the mark-up represents only a small proportion of the total selling price; and (ii) the downstream customers are relatively concentrated and major customers generally possess relatively strong bargaining power. As such, Frost & Sullivan is of the view that our profit margins are generally within the domestic PV silver powder industry’s average range stated above, and nothing has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with such view of Frost & Sullivan.

Operating with thin profit margins, together with other factors such as intense market competition, may render us more vulnerable to adverse macroeconomic or industry-specific developments. In such events, our profit margins will further decrease, which may materially and adversely affect our results of operations and financial condition. For more information, see “Risk Factors — We rely on the market demand for our silver powder products from the PV paste and PV cell industry. Any slowdown or decrease in downstream demand or technological developments resulting in substitute products may have a material and adverse impact on us”, “Risk Factors — We face intense market competition, and the PV silver powder industry may undergo unforeseen changes under rapid development. If we fail to compete successfully, our business and results of operations may be materially and adversely affected”, and “Risk Factors — We may face an overcapacity of production in China’s PV silver powder industry”.

Our Strategies and Plans as to Our Profitability

For our primary business, namely sales of silver powder products, we expect that the above-described pricing and cost structure, as well as its low profit margin nature, will remain largely similar during the foreseeable future. To mitigate margin pressure and maintain profitability, we implemented a number of specific measures during the Track Record Period that delivered tangible financial results, including expanding our processing services business, developing and commercialising higher-margin silver powder products, and strengthening cost control and improving production efficiency. Looking forward, we plan to continue taking various measures in order to sustain and/or further improve our competitiveness in the PV silver powder production industry in China as well as our profitability. In addition, we will continue operating our processing services business, which generally carries higher profit margins than sales of silver powder products. Furthermore, we have adopted several other strategic initiatives beyond the PV silver powder production industry, including exploring non-silver powder materials in the PV industry, expanding into non-PV silver powder applications, and expanding into the Middle East market. These new areas may carry relatively higher profit margins. For details, see “Business — Our Profitability — Our Strategies and Plans to Improve Profitability”.

IMPACT OF SILVER PRICE ON OUR PERFORMANCE

Our business, financial condition, and results of operations may be significantly influenced by fluctuations in the price of silver. Specifically, we determine the selling price of our silver powder products by adding a mark-up to the price of silver. The price of silver is the determinant of the selling price of our silver powder products for our customers and directly affects our revenue. Additionally, silver nitrate is our primary raw material, and the procurement costs for silver nitrate make up the vast majority of our cost of sales. Therefore, any fluctuations in the price of silver can directly impact our revenue, costs, gross profit, and gross profit margin. Our historical results of operations have been affected by these fluctuations. The price of silver is subject to volatility due to external factors such as market supply and demand. Consequently, we are exposed to the market risk associated with fluctuations in the price of silver.

You should pay particular attention to the fact that our historical revenue growth during the Track Record Period was to a large extent attributable to increasing silver prices, which may not be sustainable. See “Business — Impact of Silver Price on Our Performance” for details on the trends of our revenue, our sales volume, and silver prices during the Track Record Period. See “Financial Information — Factors Affecting our Results of Operations and Financial Condition — Silver Price” for a sensitivity analysis of the effects of hypothetical fluctuations in silver price on our revenue during the Track Record Period.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the three years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026. We have derived this summary from our financial information set forth in the Accountants’ Report set out in Appendix I to this Document. The summary financial data set forth below should be read together with our consolidated financial information and the related notes, as well as the section headed “Financial Information”.

Consolidated Statements of Profit or Loss

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

	For the year ended 31 December			For the five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486
Cost of sales	(2,674,440)	(3,818,822)	(4,830,511)	(1,369,955)	(3,969,722)
GROSS PROFIT	107,246	130,798	235,994	39,266	80,764
Other income	2,705	11,381	23,917	4,187	9,397
Selling and marketing expenses	(763)	(755)	(1,153)	(411)	(432)
Administrative expenses	(7,640)	(14,636)	(24,352)	(7,724)	(6,562)
Research and development expenses	(24,754)	(26,457)	(27,839)	(8,763)	(17,582)
(Impairment losses)/reversal of impairment losses on financial assets, net	(649)	651	—	—	—
Other expenses	(4,416)	(4,545)	(7,251)	(4,051)	(2,088)
Finance costs	(5,006)	(6,571)	(3,613)	(1,026)	(1,411)
PROFIT BEFORE TAX	66,723	89,866	195,703	21,478	62,086
Income tax expenses	(6,833)	(10,784)	(27,180)	(2,353)	(6,373)
PROFIT FOR THE YEAR/PERIOD	59,890	79,082	168,523	19,125	55,713

NON-IFRS MEASURES

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

We believe that adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to [REDACTED] and others in understanding and evaluating our consolidated statements of comprehensive income in the same manner as they help our management. However, our presentation of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our consolidated statements of comprehensive income or financial condition as reported under IFRS.

We define adjusted profit (non-IFRS measure) as profit for the year/period, adjusted by adding back equity-settled share award expense and [REDACTED]. We define adjusted EBITDA (non-IFRS measure) as EBITDA excluding equity-settled share award expense and [REDACTED].

SUMMARY

The following table reconciles our adjusted profit for the year/period (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) with our profit for the year/period which is presented in accordance with IFRS:

	For the year ended 31 December			For the five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year/period	59,890	79,082	168,523	19,125	55,713
Add back:					
Equity-settled share award expense ⁽¹⁾	2,038	2,447	2,447	1,019	1,019
[REDACTED] ⁽²⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year/period (non-IFRS measure)	61,928	86,784	182,959	24,268	58,102
	For the year ended 31 December			For the five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Reconciliation of profit to adjusted EBITDA for the year/period (non-IFRS measure):					
Profit for the year/period	59,890	79,082	168,523	19,125	55,713
Add back:					
Finance costs	5,006	6,571	3,613	1,026	1,411
Income tax expenses	6,833	10,784	27,180	2,353	6,373
Depreciation of property, plant and equipment	4,342	3,859	4,262	1,708	1,909
Depreciation of right-of-use assets	868	868	868	362	362
Amortisation of intangible assets	45	61	78	25	27
Less:					
Bank interest income	597	591	871	226	780
	76,387	100,634	203,653	24,373	65,015
Add back:					
Equity-settled share award expense ⁽¹⁾	2,038	2,447	2,447	1,019	1,019
[REDACTED] ⁽²⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA for the year/period (non-IFRS measure)	78,425	108,336	218,089	29,516	67,404

Notes:

- (1) Equity-settled share award expense relates to the share awards we granted to our employees under the 2023 Employee Shareholding Incentive Plan and were non-cash in nature. See “History, Development and Corporate Structure — Our Corporate Developments — (6) The PRC Employee Shareholding Platform and Capital Increase in March 2023” and note 26 to the Accountants’ Report set out in Appendix I to this Document for details.
- (2) [REDACTED] represent expenses relating to this [REDACTED].

We carried accumulated losses of RMB59.0 million as of 1 January 2023, primarily due to our long-term investment in the research, development and commercialisation of PV silver powder before achieving sufficient economies of scale. As our technology capabilities, customer base and business scale expanded, our profitability improved. We achieved a turnaround from an accumulated losses position to an accumulated profits position as of 31 December 2023, with retained profits of RMB0.8 million as of 31 December 2023. Our retained profits increased further to RMB42.0 million as of 31 December 2024, RMB193.7 million as of 31 December 2025, and RMB249.4 million as of 31 May 2026. For further details, see “Financial Information — Key Components of Our Consolidated Statement of Profit or Loss — Profit for the Year/Period and Net Profit Margin”.

SUMMARY

Selected Items from the Consolidated Statements of Financial Position

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

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	77,302	72,192	70,959	68,318
Total current assets	178,403	355,739	451,970	626,118
Total assets	255,705	427,931	522,929	694,436
Total current liabilities	161,258	281,955	242,054	341,276
Net current assets	17,145	73,784	209,916	284,842
Total assets less current liabilities	94,447	145,976	280,875	353,160
Total non-current liabilities	—	—	106,220	—
Net assets	94,447	145,976	174,655	353,160
Total equity	94,447	145,976	174,655	353,160

As of 31 May 2026, we had net current assets of RMB284.8 million, as compared to RMB209.9 million as of 31 December 2025, primarily due to an increase in inventories, partially offset by an increase in trade and bills payables. As of 31 December 2025, we had net current assets of RMB209.9 million, as compared to RMB73.8 million as of 31 December 2024, primarily due to a decrease in interest-bearing bank borrowings and an increase in cash and cash equivalents, partially offset by an increase in trade and bills payables. As of 31 December 2024, we had net current assets of RMB73.8 million, as compared to RMB17.1 million as of 31 December 2023, primarily due to increases in trade and bills receivables and inventories, partially offset by increases in trade and bills payables and interest-bearing bank borrowings.

We had net assets of RMB94.4 million, RMB146.0 million, RMB174.7 million, and RMB353.2 million as of 31 December 2023, 2024, and 2025, and 31 May 2026, respectively. The increase in net assets from RMB94.4 million as of 31 December 2023 to RMB146.0 million as of 31 December 2024 was primarily due to our total comprehensive income for 2024 of RMB79.1 million, partially offset by dividend declared in the amount of RMB30 million. The increase in net assets from RMB146.0 million as of 31 December 2024 to RMB174.7 million as of 31 December 2025 was primarily due to our total comprehensive income for 2025 of RMB168.5 million, partially offset by our deemed distribution upon the establishment of historical offshore structure of RMB142.3 million representing the payment of cash consideration to Mr. Chen, Jinan Weilanwan and Xinchun Huizhi in connection with the acquisition of Janbon Colloidal Materials by our Company (see “History, Development and Corporate Structure — Our Corporate Developments — Historical Offshore Structure — (2) Establishment of Our Company and Acquisition of Janbon Colloidal Materials by Our Company” for details). The increase in net assets from RMB174.7 million as of 31 December 2025 to RMB353.2 million as of 31 May 2026 was primarily due to our total comprehensive income of RMB55.7 million for the five months ended 31 May 2026 and capital injection from shareholders of RMB121.8 million (see “History, Development and Corporate Structure — Our Corporate Developments — Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company” for details).

SUMMARY

Selected Items from the Consolidated Statements of Cash Flows

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years/periods indicated:

	For the year ended 31 December			For the five months ended 31 May	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (unaudited)	2026 RMB'000
Net cash flows (used in)/from operating activities	(211,442)	(369,326)	291,405	59,413	(19,622)
Net cash flows used in investing activities	(27,836)	(11,016)	(4,502)	(2,093)	(275)
Net cash generated from/(used in) financing activities	233,187	398,990	(125,970)	(61,380)	8,009
Net (decrease)/increase in cash and cash equivalents	(6,091)	18,648	160,933	(4,060)	(11,888)
Cash and cash equivalents at beginning of the year/period	16,890	10,799	29,447	29,447	190,380
Cash and cash equivalents at end of the year/period	10,799	29,447	190,380	25,387	178,492

We recorded net cash flows used in operating activities over the Track Record Period, primarily attributable to our increased discounting of bank acceptance bills issued by banks other than established stated-owned or listed commercial banks with good credit standing (“Other Banks”) to support our operations as our business scale grew. See “Financial Information — Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Receivables”. The cash inflows relating to the discounting of such bills are counted as our financing cash flows in the form of new bank and other borrowings, and are excluded from our operating cash flows through adjustment for changes in working capital, notwithstanding that such bills are obtained by us from our customers via operating activities. If we consider that our Group has retained the substantial risks and rewards of the discounted bank acceptance bills including default risks, the conditions for derecognising the relevant bills are not met as there remains a risk of recourse by the billholders, and we will continue to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received until they reach their maturity. If we consider that our Group has transferred substantially all the risks and rewards of the discounted bank acceptance bills, representing the discounting of bills issued by established state-owned or listed commercial banks with good credit standing (“Banks with Good Credit Standing”), we will derecognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received. As of 31 December 2023, 2024, and 2025 and 31 May 2026, the aggregate amounts of discounted bank acceptance bills that had not met the conditions for derecognition were RMB81.7 million, RMB116.3 million, nil, and nil, respectively, which are included in the balances of our bills receivables and interest-bearing bank borrowings as of the relevant dates. For further details of our bills receivables, see note 19 to the Accountants’ Report in Appendix I to this Document.

We consider that the discounting of bills receivables is a customary, efficient and cost-effective means of financing within the industry, which has brought a positive impact on our liquidity and profitability overall, taking into account (i) the fact that the interest rates for the discounting of our bills receivables were generally lower than the interest rates for our bank borrowings (excluding discounted bills) during the Track Record Period, indicating that it is a cheaper means of financing for the Company, (ii) the difference between the turnover days of our trade and bills receivables and those of our trade and bills payables during the Track Record Period, and (iii) according to Frost & Sullivan, it is an industry norm in the materials industry such as the PV silver powder industry to settle accounts using bank bills. We consider that discounting bills receivables manages the risk arising from the difference between the turnover days of our trade and bills receivables and those of our trade and bills payables effectively as the cash received is immediately available for use.

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Notwithstanding that billholders have the right of recourse pursuant to applicable PRC laws, we consider that the risk of default of our bills receivables is remote because they were issued by established and reputable banks and we generally did not accept bills issued by other entities. We have further implemented a policy of only accepting bank acceptance bills issued by Banks with Good Credit Standing since January 2025 (see “Financial Information — Liquidity and Capital Resources — Liquidity Management”). Our Directors confirm that we had not encountered any default of our bills receivables during the Track Record Period and up to the Latest Practicable Date.

We consider that the net cash flows used in operating activities over the Track Record Period, and the discounting of bills receivables to support our operations, have not imposed any material risk on and have not materially and adversely affected our business operations, as the cash received from the discounting of bills receivables is immediately available for use in our normal business operations and expansion. We have also adopted a liquidity management policy to give us a better understanding of our liquidity position and enable us to utilise our capital efficiently, which in turn enables us to improve our cash flows, reduce our overall liquidity risk and enhance our working capital efficiency. See “Financial Information — Liquidity and Capital Resources — Liquidity Management” for details. Our Directors confirm that we had not encountered any liquidity shortage during the Track Record Period and up to the Latest Practicable Date.

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years/period indicated:

	As of/For the year ended 31 December			As of/For the five months ended 31 May 2026
	2023	2024	2025	
Gross profit margin ⁽¹⁾	3.9%	3.3%	4.7%	2.0%
Net profit margin ⁽²⁾	2.2%	2.0%	3.3%	1.4%
Current ratio ⁽³⁾	1.1	1.3	1.9	1.8
Quick ratio ⁽⁴⁾	0.7	0.8	1.3	1.2
Gearing ratio ⁽⁵⁾	61.6%	63.4%	59.6%	47.8%

Notes:

- (1) Gross profit margin is calculated using gross profit for the year/period divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.
- (3) Current ratio is calculated using total current assets divided by total current liabilities.
- (4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
- (5) Gearing ratio is calculated using debt (being trade and bills payables, payroll payable, accrued [REDACTED], deposit and other payables, and interest-bearing bank borrowings) divided by total assets.

RISK FACTORS

Our business and the [REDACTED] involve certain risks, as detailed in the “Risk Factors” section of this document. You should carefully review that section before making any [REDACTED] decisions regarding our H Shares. Some of the major risks we face include, but are not limited to, the following: (i) we operate on thin profit margins, which may render us more susceptible to economic and/or industry downturns; (ii) the majority of our revenue was generated from a small number of customers during the Track Record Period; (iii) we source most of our key raw materials from a small number of suppliers during the Track Record Period; (iv) fluctuations in the silver price may have a material and adverse effect on our business, financial condition, and results of operations; (v) we are highly dependent on a single product category, namely silver powder; (vi) we rely on the

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market demand for our silver powder products from the PV paste and PV cell industry; and (vii) decline in the PV cell prices in downstream PV industry may have a material and adverse effect on our business, financial condition, and results of operations.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholder

Immediately after the [REDACTED] (without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), Mr. Chen will be interested in [REDACTED]% of the issued share capital of our Company. In this regard, Mr. Chen, will be our Controlling Shareholder within the meaning of the Listing Rules. For details, please refer to the section headed “Relationship with our Controlling Shareholder” in this Document.

[REDACTED] Investments

We have secured [REDACTED] financing from a number of investors with diverse background. See “History, Development and Corporate Structure — [REDACTED] Investments” for more details.

[REDACTED] STATISTICS

The numbers in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are [REDACTED] and sold in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are [REDACTED] and outstanding following the completion of the [REDACTED].

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
Market capitalisation after completion of the [REDACTED] ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of our Group per Share ⁽³⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) All statistics in this table are presented based on the assumption that the [REDACTED] is not exercised.
- (2) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in [REDACTED] and outstanding following the completion of the [REDACTED] (assuming [REDACTED] is not exercised).
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” to this Document and on the basis that a total of [REDACTED] Shares were in [REDACTED] assuming that the [REDACTED] have been completed on 31 May 2026 but takes no account of any Shares which may be [REDACTED] upon the exercise of (i) the [REDACTED], or (ii) any Shares which may be [REDACTED] or repurchased by the Company. The adjustments include (1) the estimated [REDACTED] from the [REDACTED] and (2) the conversion of the Company into a joint stock company with limited liability with 121,773,015 Shares. For more details, please see “Financial Information — Unaudited [REDACTED] Adjusted Consolidated Net Tangible Assets” and “Appendix II — Unaudited [REDACTED] Financial Information” to this Document.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our total [REDACTED] (including [REDACTED]) will be RMB[REDACTED], accounting for [REDACTED]% of the [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this Document and the [REDACTED] is not exercised). During the Track Record Period, [REDACTED] of RMB[REDACTED], RMB[REDACTED], and RMB[REDACTED] were charged to our consolidated statements of profit or loss for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively, and RMB[REDACTED], RMB[REDACTED] and RMB[REDACTED] were capitalised to our consolidated statements of financial position and recognised as deferred [REDACTED] as of 31 December 2024 and 2025 and 31 May 2026, respectively, which are expected to be deducted from equity upon [REDACTED] as they are directly attributable to the [REDACTED] of the Shares to

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the [REDACTED]. The estimated remaining [REDACTED] of RMB[REDACTED] are expected to be charged to our consolidated statements of profit or loss for the year ending 31 December 2026, and RMB[REDACTED] are expected to be deducted from equity upon [REDACTED]. The [REDACTED] consist of RMB[REDACTED] [REDACTED] expenses and RMB[REDACTED] [REDACTED] expenses (including fees and expenses of legal advisers and the Reporting Accountants of RMB[REDACTED] and other fees and expenses of RMB[REDACTED]).

[REDACTED]

The [REDACTED] from the [REDACTED] that we will receive after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] (assuming that the [REDACTED] is not exercised) will be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range).

Assuming an [REDACTED] at the mid-point of the [REDACTED] range, we intend to use these [REDACTED] for the following purposes: (i) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to strengthen our research and development efforts and drive technological innovation; (ii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for equipment upgrades, including both research and production equipment; (iii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to fund our overseas expansion; (iv) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for the repayment of interest-bearing bank loans; and (v) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for working capital and general corporate uses. For further details, see “Future Plans and [REDACTED]”.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our Directors were involved in or subject to any litigation, arbitration, administrative proceedings, claims, damages or losses which would have a material adverse effect on our business, financial position or results of operations as a whole. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us or any of our Directors, which individually or in the aggregate, would have a material adverse effect on our business, financial position or results of operations. Our Directors are of the view, and the Sole Sponsor concurs, that during the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which would, individually or in the aggregate, have a material operational or financial impact on our business as a whole and we were not involved in any material or systematic non-compliance incidents.

DIVIDEND POLICY

In September 2024, we declared and paid a dividend to the then shareholders of Janbon Colloidal Materials in the amount of RMB30.0 million. No other dividend has been paid or declared by our Company or other companies comprising our Group during the Track Record Period.

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of

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Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Business Development

In August 2025, our new silver powder product, *152-3T series*, completed validation testing for high-copper paste applications and demonstrated compatibility and performance that met the requirements of downstream customers. In addition, in November 2025, we obtained a patent relating to silver-coated copper powder, further strengthening our intellectual property portfolio in the PV copper powder sector.

Recent Industry Development

According to Frost & Sullivan, the cumulative production volume of PV cells in China reached approximately 306.3 GW from January to May 2026, whilst the cumulative sales volume of PV silver powder in China reached approximately 2.7 thousand tonnes. Concurrently, advancements in PV cell technology have propelled the industry towards N-type cells, which accounted for over 95% of the market share from January to May 2026. The adoption of N-type cell technology has driven up the demand for PV silver powder due to increased silver paste consumption per unit, resulting in the continued expansion of the PV silver powder market.

According to Frost & Sullivan, for the five months ended 31 May 2026, the average price of silver reached approximately RMB17.9 thousand per kg, reflecting a significant increase of approximately 152.1% compared to the same period in the previous year. Despite the cost pressures arising from escalating silver prices, certain leading PV silver powder industry players have enhanced their market competitiveness by improving product performance and incorporating value-added features, thereby fostering stable business growth amidst a high-cost environment.

Recent Regulatory Development

In January 2026, the Ministry of Finance and the State Taxation Administration issued the “Announcement on Adjustments to Export Tax Rebate Policies for Photovoltaic and Other Products” (《關於調整光伏等產品出口退稅政策的公告》), which provides that the value-added tax export rebate for photovoltaic and other products will be abolished with effect from 1 April 2026. Affected by this policy, in the short term, certain PV companies that rely heavily on low-priced exports may face margin pressure. In the medium to long term, the policy is expected to facilitate a more rational pricing environment in the industry, accelerate the phase-out of less efficient production capacity, and encourage leading companies to accelerate the development of overseas production capacity and supply chain presence.

For upstream PV silver powder companies, margin pressure on downstream solar cell and module manufacturers may further strengthen their demand for cost reduction in respect of silver paste, silver powder and other key materials. In addition, as the localization of overseas PV manufacturing continues to accelerate, silver powder companies with stable product quality, overseas customer resources, bonded processing capabilities and export delivery capabilities are expected to be better positioned to capture demand from overseas silver paste manufacturers and solar cell manufacturers through processing trade, including processing with imported materials.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

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No Material Adverse Change

Our Directors have confirmed that, since 31 May 2026 and up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially affect the information shown in our financial information set forth in the Accountants’ Report included in Appendix I to this Document.