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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. According to Frost & Sullivan, we are one of the earliest companies in China to invest in and focus on the commercialisation of PV silver powder production, starting in December 2012. 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.

According to Frost & Sullivan, solar power is increasingly vital in global efforts towards carbon neutrality and national energy security due to its adaptability, resource availability, commercial maturity, and stability. In the production of PV cells, silver powder and silver paste are integral components. The PV silver paste, which is primarily composed of high-purity silver powder mixed with glass grids, is applied to the surface of the PV cells using screen printing techniques to form a conductive grid, creating the necessary electrical contacts for the efficient functioning of the PV cells. As a result, the quality and characteristics of silver powder directly impact the conductive performance and reliability of PV cells, making it an essential raw material in the PV cell production industry.

We offer 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. Armed with our production technology system and strong research and development capabilities, we can flexibly tailor our silver powder products across various dimensions such as particle size ranging from 0.1 to 3 μm , crystal structure covering both monocrystalline (單晶) and polycrystalline (多晶) silver powder, and a range of crystal surface treatment specifications from hydrophilic (親水性) to oleophilic (親油性). In addition, we believe that we excel in key silver powder production measures such as the ability to control particle size and the degree of crystallinity (結晶度) and sintering activity (燒結活性) of silver powder, dispersibility of silver powder, mass production capacity, single-batch production volume, and inter-batch consistency, as well as crucial product application characteristics including printability, conductivity, and reliability of the silver paste produced using our silver powder.

Benefiting from our early entry into the market and years of continuous investment and effort, we have developed an independent and comprehensive system of silver powder production technology and processes with proprietary intellectual property rights. Our research and development on the commercial production of PV silver powder began in December 2012. Over the years, we have continued to invest and accumulated extensive experience in the area through our own efforts as well as continuous communication with customers to understand and meet their needs. Importantly, our system of production technology and processes allows us to have better control over silver powder particle size and more flexibility in adjusting crystal structure, morphology, and surface treatment characteristics. As a result, we can swiftly respond to dynamic customer and product requirements, as well as advancements in PV cell technology. For example, our technology system successfully facilitated the adaption of our silver powder products to the transition from PERC to TOPCon cells in 2023, the utilisation of nanosized silver powder in HJT cells in 2023, and the implementation of TOPCon cell LECO technology in early 2024. Additionally, in 2025, in response to emerging industry and customer demands to reduce silver consumption, we developed a new silver powder product series tailored for finer grid printing and another series designed for producing silver paste with lower silver content. Since early 2025, we have further advanced the competitiveness of our silver powder products for xBC cell applications through the

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launch of new silver powder series, including *152-18*, *152-2010M* and *168-20*. In addition, our nano silver powder entered mass production for high-copper paste applications in the second half of 2025. Our robust system of production technology and processes has played a vital role in establishing and sustaining our market position in China’s silver powder production industry.

In addition to PV silver powder manufacturing technology and processes, we explore other strategically important areas, including non-PV silver powder applications and non-silver powder conductive materials such as copper powder. Besides our internal research and development efforts, we collaborate on selected research projects with leading universities and research institutions in Shandong province and conduct joint research and development exercises with selected customers. These collaborations aim to keep us at the forefront of scientific and technological advancements in the industry. As a result of our research and development efforts, we have secured a number of patents and proprietary technologies that provide us with a competitive advantage. 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.

Our customers include well-known PV silver paste manufacturers and range from domestic listed and private companies to leading multinational enterprises. Our top five customers in terms of sale value in both 2025 and the five months ended 31 May 2026, Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) (“Haitian Smart Manufacturing”), Changzhou Fusion New Material Co., Ltd.* (常州聚和新材料股份有限公司) (“Changzhou Fusion”), Customer A, Customer B and Zhejiang Guangda Electronic Technology Co., Ltd. (浙江光達電子科技有限公司) (“Zhejiang Guangda”), are generally acknowledged as prominent PV silver paste manufacturers in China, according to Frost & Sullivan. We have maintained long-term cooperative relationships with them, for example, with Customer B for over seven years, with Changzhou Fusion (常州聚和) for over six years and with Haitian Smart Manufacturing (海天智造) for over four years. In addition to our sales activities, we place great emphasis on working closely with our customers to understand and meet their latest product needs in response to PV cell technological advancements and market changes.

We manufacture all of our silver powder products at our own production plant located in Jinan, Shandong province. As of the Latest Practicable Date, our plant had a designed annual production capacity of 1,485 tonnes of silver powder. During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, we produced 545.4, 644.3, 614.5, and 226.5 tonnes of silver powder, respectively.

During the Track Record Period, our revenue grew significantly, primarily driven by the general increase in the market price of silver and the increase in our sales volume of silver powder products. 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 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 31 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, which may render us more susceptible to economic and/or industry downturns. 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

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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:

A Prominent Silver Powder Supplier in China with Over a Decade of Operational Experience and Integrated Research, Development, Production, and Sales Capabilities.

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 strategically decided to focus on, among others, the commercial production of silver powder for PV applications and launched a collaborative research and development project dedicated to this specific area, which, according to Frost & Sullivan, makes us one of the earliest companies and a pioneer in China to invest in and 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. For example, in December 2012, we innovatively introduced Vitamin C as the reducing agent in the industrial production of silver powder using the liquid-phase reduction method; in March 2014, we constructed one of China’s earliest silver powder production lines using proprietary technology; in January 2019, we upgraded our silver powder production process system and 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 became 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; in 2026, our nano silver powder successfully completed customer validation for high-copper paste applications; and we are currently developing a portfolio of patents relating to copper powder and silver-coated copper powder, helping us address evolving industry trends towards silver reduction and substitution.

Our early entry into the industry, firm dedication, and sustained investment over the years have established ourselves as a prominent player in the research, development, manufacturing, and sales of silver powder for PV applications in China. 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.

Moreover, according to Frost & Sullivan, in terms of PV silver powder production volume 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 14.0%, 12.6%, and 10.0%, respectively. We manufacture all of our silver powder products at our own production 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. As of the Latest Practicable Date, the plant’s designed annual production capacity is 1,485 tonnes, providing us with ample capacity to meet potential urgent production needs.

Our ability to manufacture the advanced PV silver powder is a significant advantage for us. According to Frost & Sullivan, during the Track Record Period, the advanced PV silver powder includes the PV silver powder that is applied in the production of PV silver paste for the front-side fine grids 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. The silver paste used for these PV cells generally has higher requirements for conductivity and stability and therefore requires silver powder with uniform particle morphology and stable consistency between batches accordingly.

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According to Frost & Sullivan, most domestic silver powder manufacturers in China have faced technical barriers in producing the advanced PV silver powder, and its supply has predominantly been provided by overseas manufacturers until 2022. We have been devoted to the development of the advanced PV silver powder products, and over time, our products have gained acceptance among PV paste manufacturers. According to Frost & Sullivan, in 2025, the localisation rate of the advanced PV silver powder in terms of sales volume was 93.9%, which is lower than the localisation rate of overall PV silver powder in terms of sales volume at 96.7%. This gap creates substantial market growth opportunities for domestic manufacturers such as us.

As a result of our early-market entry advantage, strong market position, and efforts in technological research and process improvement, we have achieved significant growth as a producer of PV silver powder during the Track Record Period, which has also contributed to the localisation of the entire PV cell production chain in China. We are committed to continuously investing in research and development and focusing on meeting diverse customer needs, with the aim of staying at the forefront of technological developments and maintaining and strengthening our market position in the PV silver powder industry in China.

Independent and Comprehensive Silver Powder Production Technology Supported by Strong Research and Development Capabilities

Benefiting from our early entry into the market and years of continuous investment in research and development, we have established an independent and comprehensive system of silver powder production technology and processes with full proprietary intellectual property rights. Since commencing our research on commercial PV silver powder production in December 2012, we have consistently refined and enhanced our production technology and processes through our own efforts. Our production technology expertise covers all critical aspects of silver powder manufacturing, including ingredient mixing, synthesis, sedimentation, separation, washing, centrifugation, drying, post-treatment, sieving, and packaging. This comprehensive approach enables us to effectively meet the diverse demands of our customers and adapt to rapid PV cell technological advancements effectively and promptly.

Four key sets of technologies underpin our silver powder production processes: (i) particle size control technology, which enables us to produce silver powder particles at the desired size across a wide range from 0.1 to 3 μm , rather than a limited number of pre-set size options, and achieve the specified particle sizes with greater precision and smaller deviation; (ii) particle crystal structure control technology, which allows us to produce a variety of monocrystalline and polycrystalline structures tailored to specific applications in silver paste and PV cells; (iii) morphology control technology, which enables the production of silver powder in spherical, flake-shaped, rod-shaped, and other shapes, positioning us to address emerging opportunities such as nanoscale advancements; and (iv) particle surface modification technology, which offers versatile solutions for downstream PV cell applications, ranging from hydrophilic to oleophilic properties, achieved through both chemical bonding and physical coating techniques. These technological achievements form the foundation of our competitive strength in the PV silver powder industry.

Our robust silver powder production technology system is instrumental in our ability to quickly customise a wide range of silver powder specifications according to specific customer needs. Our ability to promptly respond to technological advancements in the PV cell industry sets us apart in the silver powder production industry in China. We believe that our strong production technology will continue to lead us in meeting the ongoing changes in PV cell technology, such as xBC cells that may occupy an increasing market share in the future.

We have a highly experienced and stable research and development team. As of the Latest Practicable Date, our research and development department and process engineering department, headed by Dr. Chen Bo, our Deputy General Manager, had a total of 11 members, one of whom holds a doctorate degree, six of whom hold a master's degree, and four of whom have been with us for more than eight years. They have undergone rigorous training and possess extensive experience

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in a wide range of specialised fields that are essential to the research and development of silver powder production technology and processes, including chemistry, physics, chemical engineering and technology, and nanomaterials chemistry. During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our research and development expenses amounted to RMB24.8 million, RMB26.5 million, RMB27.8 million, RMB8.8 million, and RMB17.6 million, respectively, representing 74.7%, 63.2%, 52.2%, 51.9%, and 71.5% of our operating expenses for the same periods.

Our research and development efforts are presently concentrated on advancing technologies and processes related to PV silver powder manufacturing, aimed at maintaining and further strengthening our market position in the industry. Additionally, we are exploring strategically important areas, including non-PV applications and alternative conductive materials such as copper powder and silver-coated copper powder, to maintain our long-term competitiveness and strength. Alongside our internal innovation efforts, we partner with renowned universities and research institutions in Shandong province on selected research projects, and also engage in collaborative research and development initiatives with selected customers. These collaborations aim to keep us at the forefront of scientific and technological advancements in the industry.

Through our commitment to research and development, we have successfully obtained a number of patents and proprietary technologies. These intellectual property assets serve to bolster our competitive position and further differentiate us in the market. As of the Latest Practicable Date, we had 20 invention patents and 31 utility model patents. Most of these patents are related to PV silver powder manufacturing technologies and processes, reflecting our dedication to innovation in the field.

Our success in developing our silver powder production technology and strong research and development capabilities have earned us numerous prizes and recognitions, including:

- “High and New Technology Enterprise* (高新技術企業)” recognised by, among others, the Shandong Provincial Department of Science and Technology* (山東省科學技術廳) since 2015;
- “Shandong Province ‘Specialised, Refined, Unique, and New’ Small and Medium-sized Enterprise* (山東省「專精特新」中小企業)” recognised by the Shandong Provincial Department of Industry and Information Technology* (山東省工業和信息化廳) since 2021;
- “Shandong Province Industrial Enterprise ‘One Enterprise One Technology’ Research and Development Centre* (山東省工業企業「一企一技術」研發中心)” recognised by the Shandong Provincial Department of Industry and Information Technology* (山東省工業和信息化廳) since 2023;
- “Shandong Province Engineering Research Centre for Electronic-Grade Metal Functional Materials* (電子級金屬粉體功能材料山東省工程研究中心)” recognised by the Shandong Provincial Development and Reform Commission* (山東省發展和改革委員會) in 2023; and
- “Jinan Enterprise Technology Centre* (濟南市企業技術中心)” recognised by Jinan Municipal Bureau of Industry and Information Technology* (濟南市工業和信息化局) since 2024.

Extensive and High-Quality Silver Powder Product Portfolio

Our product portfolio includes a diverse range of silver powder products that are ultimately utilised in the production of all mainstream PV cells, including P-type PERC cells as well as more advanced N-type TOPCon, HJT, and xBC cells. Our PV silver powder products include 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.

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We develop and produce our silver powder product matrix primarily based on four key technical dimensions: particle size, particle crystal structure, particle morphology, and surface treatment specifications. With our advanced particle size control technology, we offer silver powders with specific particle sizes across a wide range from 0.1 to 3 μm . For a particular series of silver powder products with a specific particle size, we can offer different particle crystal structures ranging from monocrystalline to polycrystalline forms, and from dense prismatic to porous granular and nanocrystalline configurations. In addition to spherical particles, which constitute most of our products as of the Latest Practicable Date, we can also produce silver powders in other morphologies, such as flake-shaped and rod-shaped particles. We can provide custom surface treatments ranging from hydrophilic to oleophilic properties through both chemical and physical modifications. Our extensive silver powder portfolio with a wide choice of different technical dimensions is designed to allow us to address different customers’ highly customised and diverse technical requirements.

Our silver powder products are widely recognised for their mono-dispersity (單分散性), controllable and diverse crystallinity, and consistency, all of which are critical for ensuring the performance and quality of the downstream PV cell products. The mono-dispersity of our products ensures a concentrated particle size distribution and uniform morphology, meeting the increasing requirements for screen printing performance of PV cells. Our ability to flexibly control the degree of silver particles’ crystallinity allows us to adjust the sintering activity of the silver powder products, a key characteristic for adapting to the developing technological requirements of PV cell applications. Additionally, our systematic quality control measures and large-scale production capabilities enable us to achieve high product stability and consistency, further strengthening our position as a trusted supplier in the PV silver powder market. For more details, see “Business — Our Products and Services — Product Series” in this Document.

Long-term, Stable Cooperation with Key Upstream and Downstream Partners

Our customers include leading manufacturers in China’s PV silver paste production industry. According to Frost & Sullivan, our top five customers in terms of sales revenue in both 2025 and the five months ended 31 May 2026 are recognised as prominent PV silver paste producers in China and, in aggregate, represented approximately 50% of the market share by PV silver paste sales revenue in China in 2025.

We have established long-term and stable relationships with our core customers. We have been supplying silver products to Customer B for over seven years, to Changzhou Fusion (常州聚和) for over six years, to Zhejiang Guangda (浙江光達) for over five years and to Haitian Smart Manufacturing (海天智造) for over four years. We place great emphasis on working closely with our customers to understand and meet their progressing product needs in response to PV cell technological advancements and market changes. We visit and communicate with our key customers on a regular basis. Equipped with our comprehensive production technology and strong research and development capabilities, we are known among our customers for our ability to quickly develop and produce new types of silver powder products on an industrial scale.

We maintain a stable supply of key raw materials for our silver powder production, including primarily silver nitrate and other supplemental materials such as dispersants and reducing agents. Our key suppliers 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 (桐柏泓鑫) for over 10 years, Shanghai Zhebo (上海浙鉑) for over eight years, Jiangsu Jinji (江蘇金集) for over five years, Lanzhou Jinchuan (蘭州金川) for over four years, and Zhejiang Hongda (浙江宏達) for over three years. We had not experienced any material shortage of raw materials during the Track Record Period and up to the Latest Practicable Date.

Our strong ties with key upstream and downstream partners are critical for our sustained growth and success. According to Frost & Sullivan, as the production of silver paste often requires formulating different types of silver powders in accordance with the silver paste manufacturers’

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requirements, the manufacturers have the preference to cooperate with PV silver powder manufacturers who are familiar with their specific needs and can quickly respond to their technological changes. Our strong reputation and established long-term strategic relationships with leading PV silver paste manufacturers in China will position us well in continued business relationship with them. In addition, our long-standing stable cooperation with suppliers allows us to maintain a stable supply of key raw materials, ensuring that we can continue to produce silver powder products in a cost-effective and timely manner, helping to maintain our business continuity and competitiveness.

Visionary and Experienced Management Team

We are led by a visionary management team with extensive experience and an in-depth understanding of our industries and the upstream and downstream segments along the respective industry value chains.

Our Chairman of our Board and executive Director, Mr. Chen Zichun, holds a bachelor’s degree in interdisciplinary math & economics from Fordham University and a master’s degree in real estate from New York University. With significant experience in business management and finance, he is responsible for leading our strategic planning, communication with key customers and suppliers, planned business expansion into the Middle East and East Asia, as well as engagement with our key shareholders. His cross-border background and financial expertise are invaluable to our growth. Mr. Zhou Yong, our executive Director and General Manager, has been with our Group since its inception. He has led the entire process of developing and commercialising our silver powder production technology since 2012. Dr. Chen Bo, our Deputy General Manager, holds a bachelor’s degree in chemical engineering from Northwestern University, Xi’an, and a doctoral degree in nanomaterials chemistry from Shandong University. With around 20 years of experience in nano-electronic materials, he is a pioneer in China’s silver powder production industry. Dr. Chen has focused on the area of silver paste and silver powder since his graduate school studies in 2005 and is the primary architect of our silver powder production technology.

In addition to formulating our business plans and strategies, our management team focuses on delivering high-quality products consistently and driving continuous technological innovations. They also foster a corporate culture that motivates our staff and attracts high-calibre employees to our Group, which we believe is instrumental to our continued success. For more details, see “Directors and Senior Management” in this Document.

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:

Strengthen Our Market Position in PV Silver Powder Production in China

We are determined to maintain and strengthen our strong market position in silver powder production in China. To achieve this goal, we plan to increase our investments in research and development for silver powder production. This includes procuring raw materials for research purposes, recruiting additional research and development personnel with specialised expertise, and acquiring advanced research equipment to support our ongoing and future projects. We also intend to continue collaborating with leading universities, research institutions, and experts on strategic, science-oriented projects in the industry. Furthermore, we intend to continue working closely with our core customers to understand and meet their changing product needs. We also plan to initiate or continue collaborative research and development projects with selected key customers to foster closer cooperation and better align our efforts with their latest product requirements.

We plan to use our [REDACTED] from the [REDACTED] to strengthen our research and development efforts and drive technological innovation. See “Future Plans and [REDACTED] — [REDACTED]” in this Document for further details.

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Explore Non-Silver Powder Materials in the PV Industry

In addition to our focus on silver powder production, we have been researching and developing non-silver powder materials for the PV cell production industry, such as copper powder. According to Frost & Sullivan, some manufacturers have currently developed low-temperature sintered copper powder that can be used in conductive grids of PV cells, replacing traditional silver powder. Compared with PV silver powder, the pricing of PV copper powder is much lower than that of PV silver powder, which can significantly reduce the cost of PV cells. Additionally, through the surface treatment and the optimisation of the sintering process, the conductivity of PV copper powder can approach that of PV silver powder. In addition, according to Frost & Sullivan, the development of non-silver powder materials for PV cells necessitates high expertise in technological innovations related to materials, processes, and equipment. Leading PV silver powder manufacturers are actively engaged in exploring new technologies in non-silver powder for PV cells to secure early-market entry advantages and strengthen their market positions.

We anticipate that our existing comprehensive silver powder production technology, along with our strong research and development capabilities, can help our efforts in exploring non-silver powder materials, as they often involve similar powder structures. Our plans include recruiting personnel specialised in non-silver powder materials, such as copper powder, procuring specialised equipment such as ultrasonic reactors, centrifuges, and thermogravimetric analysers, and establishing collaborative projects with experts and research institutions to conduct more scientific-oriented research on non-silver powder materials. Additionally, we will maintain close communications with our core customers to understand their practical needs regarding these alternative materials. We plan to use our [REDACTED] from the [REDACTED] for the research and development of non-silver powder conductive materials in the PV Industry. See “Future Plans and [REDACTED] — [REDACTED]” in this Document for further details.

Expand into Non-PV Silver Powder Applications

Beyond its applications in the PV industry, due to silver powder’s unique properties such as outstanding electrical and thermal conductivity, silver powder has extensive downstream applications in various industries including electronics, chemicals, medicine, and food, among others. According to Frost & Sullivan, in the electronics industry, silver powder is used to manufacture conductive lines, conductive adhesives, among others; in the chemical industry, it is used to manufacture antistatic agents, coatings, among others; in the medicine industry, it is used to manufacture drug carriers; and in the food industry, it is used in the production of nutritional supplements.

According to Frost & Sullivan, the global silver powder sales revenue grew from RMB59.7 billion in 2021 to RMB195.7 billion in 2025, with a CAGR of 34.6%, and in 2030, the global silver powder sales revenue is expected to reach RMB391.1 billion, representing a CAGR of 14.9% from 2025 to 2030. As such, there is substantial market potential for non-PV silver powder. Additionally, according to Frost & Sullivan, the non-PV silver powder market in China exhibits a relatively fragmented landscape. As of 31 December 2025, there were approximately 400 non-PV silver powder manufacturers in China. The production of non-PV silver powder demands high technical expertise in production technologies and well-established production processes, involving relatively high technical and talent barriers. Nonetheless, the substantial industry experience of PV silver powder manufacturers can be leveraged for the production of non-PV silver powder, facilitating the expansion of PV silver powder manufacturers into the non-PV silver powder sector.

We believe that a small portion of our silver powder products have been used for non-PV purposes. We aim to expand our presence in non-PV markets for silver powder. We plan to use our [REDACTED] from the [REDACTED] for the research and development of non-PV silver powder applications. See “Future Plans and [REDACTED] — [REDACTED]” in this Document for further details.

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Expand into the Middle East market and establish a research and development presence in East Asia

We aim to leverage our extensive industry experience and success in China to gradually grow our silver powder and other conductive material production business beyond China, tapping into new markets and driving our long-term growth.

In particular, we currently plan to expand into the Middle East market and construct a silver powder and other conductive material production plant in the region. According to Frost & Sullivan, the Middle East has been diversifying its economy, transitioning from traditional oil dependence to new sectors such as renewable energy, science and technology, and manufacturing. This transition has facilitated the demand for advanced materials, particularly in new energy, electronics, construction, and various other industries. For instance, countries such as Saudi Arabia and the United Arab Emirates are developing new energy fields such as PV and wind power. In addition, several countries in the Middle East have introduced a range of policies to bolster the growth of the PV-related industry, such as Saudi Arabia’s Vision 2030 plan. These policy measures are opening up opportunities for China’s PV silver powder manufacturers to expand their business presence and operations into the region.

The establishment of the Middle East production plant forms a key part of our strategy to expand our international footprint. By situating manufacturing closer to the market in the region, we will enhance operational efficiency through reduced logistics costs and improved geographic proximity. A local production base will also streamline compliance with regional manufacturing standards, build trust with local stakeholders (including customers, suppliers, and authorities), and improve competitiveness in bidding and procurement processes. Furthermore, we expect that our plan to expand into the Middle East will benefit from our shareholder in the region, adding strategic value to this endeavour.

We currently expect the plant to have a designed annual production capacity of approximately 1,500 tonnes of silver powder and other conductive materials. The total capital expenditure for the project is estimated to be approximately RMB200.0 million, subject to further adjustments based on project progress and market conditions. Of this total, RMB[REDACTED] is expected to be funded through [REDACTED] from the [REDACTED], with the balance provided by bank financing and/or our operating cash flows. Based on our preliminary projections, the project investment should achieve breakeven within approximately two to three years after the commencement of commercial production.

As of the Latest Practicable Date, the Middle East plant project remains at the planning stage. We have conducted preliminary research and evaluation work for the project and prepared an internal feasibility study report. We have analysed the current situation and prospects of the Middle East PV market, including the expansion of Chinese PV enterprises in the region. Our findings indicate that companies with advanced silver powder production capabilities and the ability to localize manufacturing could become a key component in the Middle East PV industry supply chain. We have performed a comparison of several Middle Eastern countries, including Saudi Arabia, United Arab Emirates, Qatar, Oman, considering factors such as infrastructure conditions, costs and taxes, policies and approval processes, supply chain support, and labor resources and security. Additionally, we have preliminarily considered several potential factory locations and plan to finalise the site selection after an on-site inspection by the project team. Since 2024, our project team has also actively engaged in preliminary communications with multiple stakeholders across China and the Middle East, including one of the world’s top PV module manufacturers, a global integrated energy and chemicals company operating in Saudi Arabia, an active family fund in the Middle East region, as well as a large diversified family business in the region, in order to establish a solid foundation for future project resource coordination, financing support, and customer engagement. As of the Latest Practicable Date, we had not submitted applications for any required permits and approvals and intend to initiate the relevant processes in due course. We expect that the construction of the Middle East plant commences in the second half of 2027, with trial production starting by the

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end of 2028 and commercial production beginning in early 2029, subject to further discussions with our stakeholder partners in the region, the progress of our permit and approval applications, and the prevailing market conditions in the region.

Alongside our expansion into the Middle East market, we plan to establish a dedicated research and development presence in East Asia to advance our development of advanced powder material technologies. According to Frost & Sullivan, manufacturers in East Asian countries, such as Japan and South Korea, possess globally leading production technologies in high-performance powder materials, which can cater the higher requirements for product performances from downstream industries. We intend to pursue initiatives such as forming local research teams, fostering collaborations with industry and academic partners, and strategically acquiring complementary businesses or technologies.

As of the Latest Practicable Date, we have conducted preliminary investigations and research on certain enterprises, research institutions, and universities in East Asia. This includes technical exchanges and cooperation discussions with local conductive material companies and university laboratories, in order to gain an in-depth understanding of the research and industrialisation levels of copper powder, silver-coated copper powder, and other conductive materials in the region. Through on-sites and interview with experts, we preliminarily conclude that the East Asia region holds a leading position in terms of technical expertise, equipment advancement, refinement of production processes, and the innovation ecosystems in the copper powder field. In addition, we believe that establishing a research and development center in East Asia would help us attract high-level local research and development talent, drive technological innovation, and create closer connections between internationally advanced conductive material technologies and domestic application markets in China. In summary, we consider our strategic plan to set up a research and development presence in East Asia to have a preliminary feasibility basis and to align closely with our long-term technology development strategy.

We plan to use our [REDACTED] from the [REDACTED] for overseas expansion. See “Future Plans and [REDACTED] — [REDACTED]” in this Document for further details.

OUR BUSINESS MODEL

We are principally engaged in the research, development, manufacturing, and sales of silver powder in China. During the Track Record Period, we derived most of our revenue from manufacturing and selling silver powder mainly 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 during the Track Record Period from providing processing services to some customers, whereby we manufactured and supplied PV silver powder products to them using silver ingots provided by these customers and charged a processing fee.

All of our products were sold within China during the Track Record Period. Our customer base includes leading manufacturers in China’s PV silver paste production industry. We manufacture all of our silver powder products at our own production plant located in Jinan, Shandong province.

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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		Sales Volume	Percentage of Total		Sales Volume	Percentage of Total		Sales Volume	Percentage of Total		Sales Volume	Percentage of Total		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)		(kg)	(RMB in thousand)		(kg)
										(unaudited)					
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

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.

OUR PRODUCTS AND SERVICES

Our product portfolio primarily includes a diverse selection of silver powder offerings that are ultimately used in the production of PV cells. Our PV silver powder 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, including front-side fine grids in PERC cells, front-side fine grids and rear-side high-copper paste in TOPCon cells, and conductive grids in HJT cells and xBC cells during the Track Record Period.

Product Series

We construct a product matrix for our silver powder based primarily on the following dimensions:

- **Particle size** — With our advanced particle size control technology, we are known among customers for being able to achieve more precise control of silver powder particle sizes and produce specific particle sizes within a wide range, from 0.1 to 3 μm. For example, our *152 series* offer silver powder products with average particle sizes of 0.2, 0.3, 0.5, 0.8, 1.0, 1.2, 1.4, 1.6, 1.8, 2.0, 2.2, and 2.5 μm;
- **Particle crystal structure** — We are capable of producing silver powder of a specific particle size with different particle crystal structures, primarily including different types of monocrystalline and polycrystalline silver powders. For example, our *152 series* products are single crystals, and the *156 series* products are polycrystals with a dense prismatic particle crystal structure;
- **Particle morphology** — We can produce silver powder in various shapes, such as spherical-shape, flake-shaped, rod-shaped, and other morphologies. As of the Latest Practicable Date, most of our products are spherical-shaped; and
- **Particle surface treatment specifications** — We can modify the surface of silver powder particles to range from hydrophilic (polar) to oleophilic (non-polar) and using both chemical modification through functional group bonding and physical modification through surface coating. For example, our *158–16K series* products are further

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surface-treated versions of the *158 series* products with an average particle size of 1.6 μm , including surface polishing and shaping, as well as physical coating modifications that change the surface properties from hydrophilic to oleophilic.

It is essential to possess the capability to adjust all these characteristics of silver powder particles as they are not directly linked to the application properties of silver powder but instead interact with each other in a complex manner and collectively influence the physicochemical indicators of silver powder and the electrical and printing performance of downstream silver paste products. Additionally, different silver paste manufacturers may require silver powder products with specific characteristics for their unique silver paste formulations. It may require multiple attempts through different combinations of silver powder characterisation to identify the most suitable silver powder for them. Therefore, our ability to quickly customise and fine-tune each of these silver powder particle characteristics enables us to address the highly diverse technical requirements of different customers while keeping pace with rapid technological advancements in the downstream PV cell industries.

In addition, our silver powder products across different series and specifications are all known for the following key advantages that are crucial for the performance of high-quality PV cell products:

- ***Mono-dispersity*** — Our silver powder exhibits excellent mono-dispersity, with a concentrated particle size distribution and uniform particle morphology. The particle size distribution obtained from laser particle size analyser is generally consistent with the images obtained from scanning electron microscopy. These characteristics are critical in meeting the increasing requirements for screen printing performance of PV cells. They help ensure high precision, uniformity, and consistent line thickness of the fine grids. In addition, the fine and uniform particles enable superior conductivity, strong adhesion to the substrate, and excellent sintering properties. All of these factors are important for achieving efficient electrical contacts and long-term PV cell performance;
- ***Controllable and diverse crystallinity*** — We can adjust the degree of crystallinity of silver powder, ranging from high to low crystallinity. The control of crystal crystallinity directly affects the sintering activity of silver powder, while the technological changes in downstream PV cells may require silver powder with different sintering activities, ranging from high to low sintering activity. Therefore, our ability to effectively control crystallinity is crucial for our ability to produce silver powder that adapts to the evolving downstream PV cell technologies; and
- ***High product consistency and stability*** — We can achieve a maximum single batch production of over 100 kg of silver powder, making us one of the highest per batch producers in the industry. Additionally, with our systematic quality control system, we can achieve high inter-batch stability of the silver powder. As a result, the silver powder that we produce for our customers on an industrial scale is characterised by consistency and stability, which is critical for effectively meeting our customers’ customised needs for silver powder.

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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:

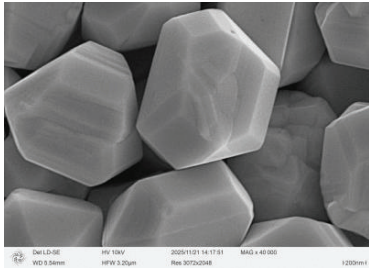
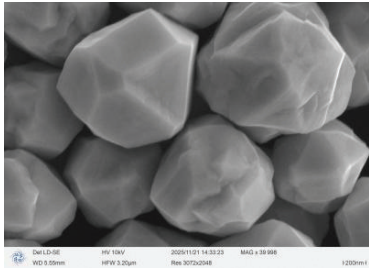
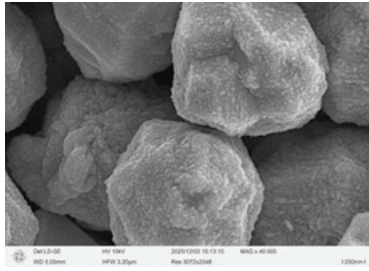
Product Series ⁽¹⁾⁽²⁾	Particle Size Distribution				Particle Crystal Structure
	D10 (μm) ⁽³⁾	D50 (μm) ⁽³⁾	D90 (μm) ⁽³⁾	D100 (μm) ⁽³⁾	
150-8	0.5-0.6	0.7-0.8	1.1-1.3	≤3	Monocrystalline
150-10	0.6-0.7	0.85-1.0	1.2-1.5	≤4	Monocrystalline
152-3	≤0.32	0.2-0.36	≤1	—	Monocrystalline
152-3T	≤0.32	0.2-0.36	≤1	—	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:

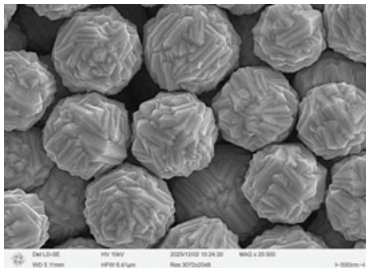
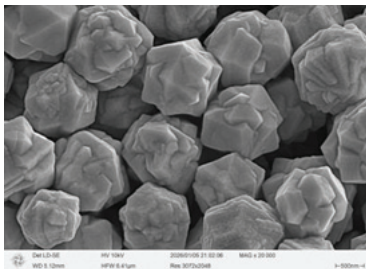
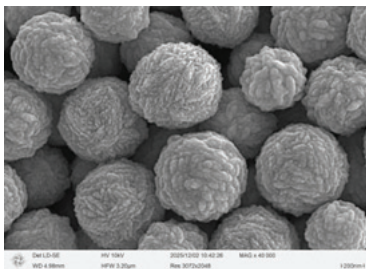
- (1) The names of the product series are generally based on our internal production generation and the specifications of the products. For instance, for the “152-10N” series of our silver powder product: “152” represents our internal production generation for the products; “10” indicates the average particle size of the silver powder products. It is calculated by multiplying the D50 value (please see below for its meaning) by 10. As such, the average particle size of the “152-10N” series is 1.0 μm; and the suffixes, such as “N”, “H”, “M” and “K”, generally represent certain surface treatment specifications or specific customer customisations of the silver powder products. For example, the suffix “N” indicates that the product has undergone surface nano-structuring treatment, which involves modifying the surface of silver particles at the nanometre scale to improve various characteristics of silver powder, including its sintering activity and electrical properties.
- (2) In terms of product technical performance, we believe that all of these product series are suitable for ultimate application in all mainstream PV cells, including P-type PERC cells as well as more advanced N-type TOPCon, HJT, and xBC cells. The actual utilisation of our silver powder in a particular type of cell depends on the specific applications of downstream silver paste and PV cell manufacturers.
- (3) 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.

Set forth below are the representative scanning electron microscope (SEM) photographs and further introduction to the features of our major silver powder product series that we manufacture and offer on a commercial scale as of the Latest Practicable Date.

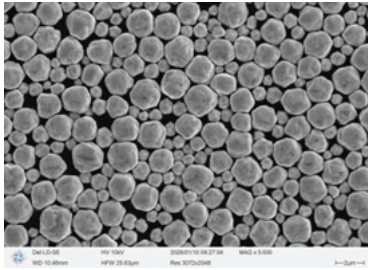
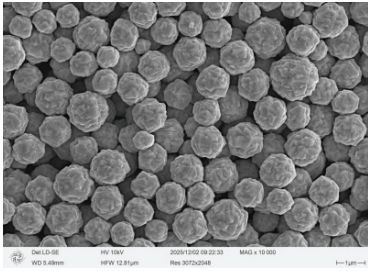
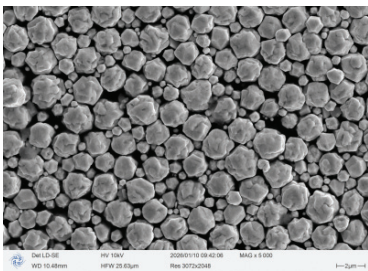
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Series ⁽¹⁾	SEM photograph	Features
150-XX	 <p>Example SEM photograph of 150-10 series</p>	<ul style="list-style-type: none"> The particles exhibit distinct polyhedral characteristics with smooth and flat crystalline surfaces; Demonstrate good screen printing permeability in silver paste applications, with relatively low sintering activity, which facilitates contact formation while limiting sintering shrinkage; and Suitable for scenarios requiring improved contact performance and low-temperature paste formulations.
152-XX	 <p>Example SEM photograph of 152-10 series</p>	<ul style="list-style-type: none"> The particles exhibit distinct polyhedral characteristics with smooth and flat crystalline surfaces; Demonstrate good screen printing permeability in silver paste applications, with relatively low sintering activity, which facilitates contact formation while limiting sintering shrinkage; and Suitable for scenarios requiring improved contact performance.
152-XXN	 <p>Example SEM photograph of 152-16N series</p>	<ul style="list-style-type: none"> A nanostructured shell is synthetically coated onto the surface of monocrystalline particles of 152-XX series; Address the low sintering activity inherent to 152-XX series' monocrystalline structure, although with a slight compromise in printability; and Suitable for scenarios requiring enhanced sintering shrinkage.

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Series ⁽¹⁾	SEM photograph	Features
156-XX	 <p>Example SEM photograph of 156-16 series</p>	<ul style="list-style-type: none"> The particles exhibit good sphericity with a polycrystalline particle crystal structure and densely packed particles; Sintering activity is enhanced compared to the 152-XX series, while printability shows improvement over the 152-XXN series; and Well-balanced performance suitable for recent types of PV cells, such as TOPCon front- and back-side fine line applications.
158-XXX	 <p>Example SEM photograph of 158-16K series</p>	<ul style="list-style-type: none"> The particles are quasi-spherical with a polycrystalline particle crystal structure, where the particles are not fully densely packed and exhibit irregular pore structures such as strip-shaped voids; Both sintering activity and printability are improved compared to the 156-XX series; and Well-balanced performance suitable for recent types of PV cells, such as TOPCon front- and back-side fine line applications.
162-QXX	 <p>Example SEM photograph of 162-Q10 series</p>	<ul style="list-style-type: none"> The particles exhibit high sphericity with a polycrystalline particle crystal structure, where the particles are loosely packed and display a relatively uniform porous morphology; The particles offer excellent sintering activity and superior screen printing permeability; and Suitable for scenarios requiring enhanced sintering shrinkage.

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Series ⁽¹⁾	SEM photograph	Features
162-FXX	 <p>Example SEM photograph of 162-F2 series</p>	<ul style="list-style-type: none"> Composite silver powder comprising blended particle sizes and crystal structures; Good screen printing permeability, with tunable sintering activity adaptable to different customers' specific silver paste formulations; and Well-balanced performance suitable for recent types of PV cells, such as TOPCon front- and back-side fine line applications.
166-XX	 <p>Example SEM photograph of 166-13 series</p>	<ul style="list-style-type: none"> The particles are quasi-spherical with a polycrystalline particle crystal structure, featuring relatively uniform porous morphology and moderately compact particle arrangement; Good screen printing permeability, with sintering activity moderately reduced compared to the 162-QXX series; and Well-balanced performance, suitable for recent types of PV cells, such as TOPCon front and back-side fine line applications.
168-XX	 <p>Example SEM photograph of 168-20 series</p>	<ul style="list-style-type: none"> Composite silver powder comprising blended particle sizes and crystal structures; Good screen printing permeability, with tunable sintering activity adaptable to different customers' specific silver paste formulations; and Well-balanced performance suitable for recent types of PV cells, such as xBC fine line applications.

Note:

- (1) The “XX” refers to different particle sizes for the corresponding product series. As described above, we have the flexibility to produce silver powder in a specific particle size within a wide range from 0.1 to 3 μm . For instance, 152-XX includes 152-3, 152-5, 152-10, 152-16, and 152-20. The SEM images and features for these series of products are typically similar.

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Sales Information of Product Series

The table below sets forth sales information for our top five silver powder product series by sales volume for each of the years/periods during the Track Record Period:

Product Series ⁽¹⁾	Year ended 31 December						five months ended 31 May					
	2023			2024			2025			2026		
	Sales Ranking (#)	Sales Volume (tonne)	Percentage of Total Sales Volume	Average Selling Price ⁽⁴⁾ (RMB/kg)	Sales Ranking (#)	Sales Volume (tonne)	Percentage of Total Sales Volume	Average Selling Price ⁽⁴⁾ (RMB/kg)	Sales Ranking (#)	Sales Volume (tonne)	Percentage of Total Sales Volume	Average Selling Price ⁽⁴⁾ (RMB/kg)
152-20	5	50.4	9.5%	5,382.3	1	170.4	28.7%	6,453.6	1	185.9	32.6%	8,704.9
156-14L	*	0.2	0.0	5,495.7	*	45.3	7.6%	6,636.8	2	57.8	10.1%	8,588.1
166-13	—	—	—	—	—	—	—	—	3	53.5	9.4%	9,180.7
152-20J	*	7.4	1.4%	5,406.0	*	42.6	7.2%	6,480.9	*	14.4	2.5%	8,610.5
158-16K	*	2.7	0.5%	5,444.0	3	54.4	9.2%	6,583.8	4	47.0	8.2%	8,383.4
152-10N	3	58.3	11.0%	5,296.0	2	92.4	15.6%	6,461.3	3	21.1	11.3%	7,304.7
156-16	4	57.1	10.8%	5,245.0	4	52.5	8.8%	6,296.2	*	7.8	1.4%	7,993.5
152-14H	1	186.8	35.3%	5,213.7	5	48.5	8.2%	6,188.2	*	20.0	3.5%	8,351.0
152-16	2	114.9	21.7%	5,018.4	*	26.5	4.5%	6,462.6	*	21.1	3.7%	8,495.3
Total of Top Five Product Series	N/A	467.5	88.3%	N/A	N/A	418.2	70.5%	N/A	N/A	133.60	71.6%	N/A
										138.2	65.4%	N/A

Notes:

- (1) In terms of product technical performance, we believe that all of these product series are suitable for ultimate application in P-type PERC cells as well as more advanced N-type cells. The actual utilisation of our silver powder in a particular type of cell depends on the specific applications of downstream silver paste and PV cell manufacturers.
- (2) The “*” symbol indicates that the particular product series did not rank among the top five product series in the given year/period, and as a result, the ranking is not provided.
- (3) The “—” symbol indicates that the particular product series was not produced, offered or sold in the given year/period.
- (4) Average selling price is calculated by dividing the sales revenue of the particular product series during the year/period by the sales volume of the product series (excluding the volume of silver powder product exchanges) during the year/period.

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Changes in our product series portfolio during the Track Record Period were primarily driven by (i) advancements in downstream PV cell technologies, such as the shift from monocrystalline PERC cells to TOPCon cells in 2023 and the steady growth in xBC cell production since 2025, resulted in changes in the demand for different silver powder. As a result, we continuously updated our silver powder product offerings to meet these evolving requirements; and (ii) our own advancements in silver powder production processes that allowed us to replace older product series with more advanced ones incorporating improved manufacturing techniques. For example, we developed *152-10N* as a substitute for *E10QP20*, and *152-16N* as a replacement for *E30QP20*, utilising more advanced production process and technologies.

The increases in the average selling prices of our silver powder products during the Track Record Period were mainly due to the rising silver prices during these periods, partially offset by a general reduction in our mark-ups amid increased competition in China’s PV silver powder industry. We determine the selling price of our silver powder products by adding a mark-up to the price of silver, which constitutes most, and is the key determinant, of the selling price of our silver powder products. According to Frost & Sullivan, the average price of silver increased by 30.6% from approximately RMB4.9 thousand per kg for the year ended 31 December 2023 to RMB6.4 thousand per kg for the year ended 31 December 2024, and further increased by 34.4% to RMB8.6 thousand per kg for the year ended 31 December 2025. In addition, according to the same source, the average price of silver in China increased by 152.1% from RMB7.1 thousand per kg during the five months ended 31 May 2025 to RMB17.9 thousand per kg during the five months ended 31 May 2026. For further details on our pricing policy and the impact of pricing on our financial results, see “Business — Sales and Marketing — Pricing Policy” and “Financial Information — Factors Affecting our Results of Operations and Financial Condition — Competition and Pricing”. For more information on the impact of silver prices on our performance, see “Business — Impact of Silver Price on Our Performance” and “Financial Information — Factors Affecting our Results of Operations and Financial Condition — Silver Price”.

Product Applications

Silver powder is a common metal powder with excellent electrical and thermal conductivity. It has extensive applications in various industries, including the PV industry, electronics industry, chemical industry, medicine industry, and food industry. See “Industry Overview — Global and China’s PV Silver Powder Industry — Definition and Overview of Silver Powder” in this Document for further details. Based on different application scenarios, our silver powder products can be categorised into PV silver powder products and non-PV silver powder products.

PV Applications

Our silver powder products are primarily used in the production of silver paste, a critical component in manufacturing PV cells. In the production of PV cells, silver powder and silver paste are integral components. The PV silver paste, which is primarily composed of high-purity silver powder mixed with glass grids, is applied to the surface of the PV cells using screen printing techniques to form a conductive grid, creating the necessary electrical contacts for the efficient functioning of the PV cells. As a result, the quality and characteristics of silver powder directly impact the conductive performance, printability, and reliability of PV silver paste, making it an essential raw material in the PV cell production industry.

The PV cell industry is known for its continuous and rapid technological updates and improvements, and different technologies of PV cells have distinct characteristics that result in varying demands for silver powder. According to the specific dopant elements employed, PV cells can be classified into P-type and N-type, with P-type represented by PERC cells and N-type encompassing various technologies such as N-type TOPCon cells, N-type HJT cells, and N-type xBC cells. In recent years until 2022, P-type PERC cells had been the mainstream technology in the PV industry due to mature technologies and lower manufacturing costs compared with other types of PV cells in large-scale mass production. With the advantages of high efficiency, the market share of N-type cells in China’s PV cell industry experienced a significant increase since 2022. In 2025, N-type cells reached a market share of approximately 96.9% in terms of production volume. TOPCon cells, offering higher average mass production conversion efficiencies of up to 26.5%, demand silver

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powder with superior conductivity and fine particle uniformity to support the advanced contact structures required for their performance. xBC cells, including TBC and HBC cells, utilise buried contact technology and have theoretical efficiency limits of up to 29.1%. To optimise conductivity and adapt to their complex contact structures, xBC cells require custom-formulated silver powder with enhanced physical and electrical properties. HJT cells combine crystalline silicon and thin-film technology, achieving high average mass production conversion efficiencies levels of 26.0%. See “Industry Overview — China’s PV Cell Industry — Definition and Overview of PV Cell Industry” in this Document for further information.

In terms of product technical performance, we believe that all of our current major silver powder products (as set out in the table under “— Our Products and Services — Product Series”) are suitable for ultimate application in all mainstream PV cells, including P-type PERC cells as well as more advanced N-type TOPCon, HJT, and xBC cells. The actual utilisation of our silver powder in a particular type of cell depends on the specific applications of downstream silver paste and PV cell manufacturers.

Non-PV Applications

A small portion of our silver powder products have been used for non-PV purposes, primarily in high-quality electronic components such as semiconductor packaging and PCB printed circuit boards. We aim to expand our presence in new markets for silver powder, particularly in the high-quality electronic components sector. By leveraging our existing expertise and technological capabilities, we can diversify our product offerings and explore new revenue streams.

Product Life Cycle

According to Frost & Sullivan, the life cycle of PV silver powder products aligns with the life cycle of the PV cells, typically ranging from 20 to 25 years. At the end of the PV cells’ life cycle, the silver powder contained within the PV cells can only be recycled as silver waste and cannot be replaced.

Processing Services

We have provided processing services for some PV silver paste manufacturers since 2023. In particular, these customers provide us with silver ingots and request that we process them into PV silver powder. To fulfil this request, we first engage silver nitrate manufacturers to convert the silver ingots into silver nitrate, which then serves as the raw material for us to produce the PV silver powder products. We charge these customers processing fees for processing the silver ingots into the silver powder products. During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, the revenue generated from our processing services was RMB1.5 million, RMB6.1 million, RMB6.7 million, RMB5.4 million, and RMB1.7 million, accounting for 0.1%, 0.2%, 0.1%, and 0.4%, and 0.04% of our total revenue for the respective years/periods.

OPERATIONAL FLOW

The operational flow for our principal business of manufacturing and sales of silver powder is outlined as follows:



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Product Development

We usually formulate an annual product development plan during the first quarter of each year. When formulating the plan, we consider multiple factors, including our current production technology, the status of our existing products, and our collection and analysis of the needs and demands of customers and the market. Based on these factors, we establish a project development plan and allocate a budget. As the development process progresses, we set phased assessment goals and collect relevant data to evaluate the outcome of the product development projects.

Sales Order Placement

When a customer places an order for silver powder products with us, it specifies the intended purchase volume alongside either a fixed asking price for silver effective for the ordering day or instructions to purchase silver at the real-time market price. In the case of a fixed asking price order, once the actual market price of silver reaches the asking price, we confirm the customer’s order, thereby reaching a sales agreement with the customer based on its asking silver price and a pre-negotiated mark-up to be charged by us. In the case of a real-time market price order, we immediately proceed to confirm the customer’s order, reaching a sales agreement based on the prevailing market price of silver at the time and the pre-negotiated mark-up.

Throughout this process, 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).

Procurement

For silver nitrate, our primary raw material, our procurement process runs concurrently with the sales order placement process as described in the “— Sales Order Placement” section above. Upon receiving the customer order, we immediately place a corresponding order with our silver nitrate supplier, matching the customer order’s specified volume and price instruction. Almost simultaneously with our sales department confirming the customer order, our silver nitrate supplier confirms our procurement order, reaching a purchase agreement based on the silver market price referenced in the customer’s sales agreement. We believe this sales and procurement order placement mechanism, together with the pre-negotiated mark-up we charge (see “— Sales Order Placement” above), effectively limit the impact of fluctuations in silver price on our gross profit, assuming all other variables remain constant. Logistics for silver nitrate are handled by our suppliers. We settle the payment with suppliers upon, before, or within a few days after silver nitrate delivery, completing the procurement process. As for other auxiliary raw materials, including reducing agents and dispersants, we typically prepare a certain level of inventories in advance.

Production

All production of our silver powder products takes place at our Jinan production facilities. The production cycle for our silver powder products varies depending on the complexity of different product series. Typically, a single batch production is completed within 20 hours. Throughout the production process, we conduct quality control procedures at various key stages, starting from the receipt of raw materials to the finished products. These procedures help ensure that our production processes are carried out properly in accordance with our quality requirements.

Product Delivery

We engage qualified third-party logistics providers for the delivery of all finished products from our manufacturing facilities to locations specified by our customers. The cost and risks of delivery are borne by us.

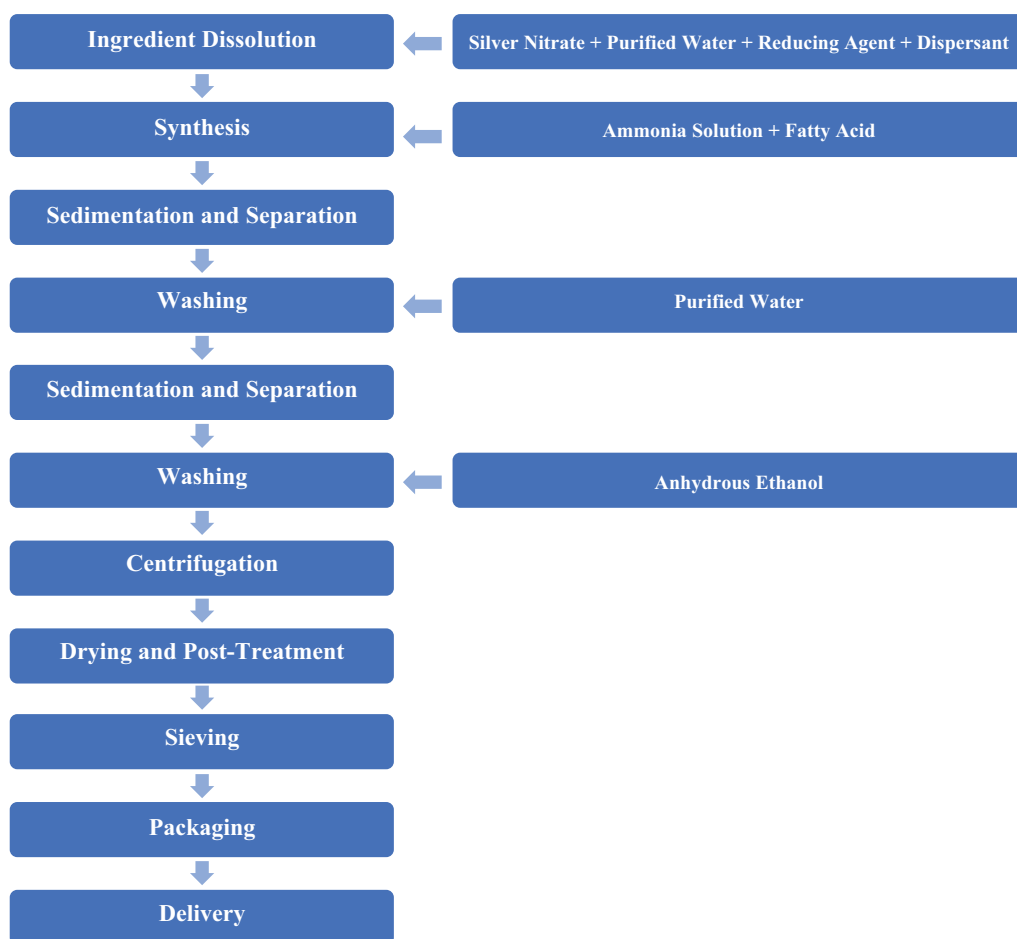
BUSINESS

PRODUCTION

Production Process

Our production process is designed to uphold high standards of quality while promoting operational efficiency and the ability to meet customer demands promptly. The process primarily consists of eight key stages: ingredient dissolution, synthesis, sedimentation and separation, washing, centrifugation, drying and post-treatment, sieving, and packaging. After packaging, the product is classified as finished goods, ready for delivery to customers. At every key stage, quality control and testing are meticulously conducted to improve process stability, product quality, and batch consistency.

The following chart illustrates the key stages of the production process for our silver powder products:



No.	Process Name	Process Description
1	Ingredient Dissolution	Ingredient dissolution involves weighing or measuring (i) the main production raw material, i.e., silver nitrate, (ii) reducing agents, such as Vitamin C ($C_6H_8O_6$), and (iii) dispersants, such as polyvinyl pyrrolidone ($(C_6H_9NO)_n$), according to the required proportions for silver powder production. These materials are dissolved in pure water or organic solvents to form a solution containing silver ions (Ag^+) to prepare for the controlled synthesis of silver powder.

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No.	Process Name	Process Description
2	Synthesis	Synthesis refers to the process of generating silver powder from the dissolved raw materials. This is accomplished using our silver powder control synthesis technology, i.e., liquid-phase reduction method, which (i) allows for the reduction of silver from an ionic state (Ag^+) to an atomic state (Ag) achieved by reducing agents reacting with the silver ions and (ii) enables the directed growth of silver atoms into silver powder particles. Throughout the synthesis process, dispersants, and other ancillary materials added in this stage, such as ammonia solution ($\text{NH}_3 \cdot \text{H}_2\text{O}$) and fatty acid, work to control the particle size distribution and shape of the silver particles and prevent agglomeration, as well as to achieve other desired features of the silver powder, such as dispersibility and uniformity.
3	Sedimentation and Separation	Sedimentation and separation involve using gravity in specially designed settling tanks to achieve solid-liquid separation. The liquid is drawn off from the top, leaving the silver powder to proceed to the next stage.
4	Washing	Washing involves using purified water (H_2O) or anhydrous ethanol ($\text{C}_2\text{H}_6\text{O}$) to remove residual raw materials, such as residual reducing agents and dispersants, and impurities from the surface of the silver powder. This is followed by further surface treatment to ensure that the silver powder exhibits excellent dispersibility.
5	Centrifugation	Centrifugation refers to using a high-speed centrifuge to achieve solid-liquid separation again for the washed silver powder, and to achieve preliminary drying.
6	Drying and Post-Treatment	Drying involves removing moisture and other volatile substances from the surface of the silver powder, turning it into a dry powder state. Post-treatment includes deagglomerating, breaking apart, and surface shaping the dried silver powder particles, further controlling their morphology and surface treatment.
7	Sieving	Sieving involves passing the silver powder through high-mesh screens or grading it to remove impurities.
8	Packaging	The finished silver powder is divided, weighed, packaged, and stored according to the unit packaging specifications.

We generally adopt an “on-demand manufacturing” approach for our silver powder production. This involves procuring raw materials, primarily including silver nitrate, and commencing manufacturing based on customer orders. With our mature and streamlined production management technology, the production cycle for a single batch of silver powder products usually takes approximately 20 hours.

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Production Facility and Capacity

Our fully integrated plant is 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. Set forth below are some photographs of our plant:



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⁾	36.7%	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.
- (3) According to Frost & Sullivan, the above calculation methodology for our designed production capacity and utilisation rate is in line with the prevailing industry norm in China.

From January 2021 to July 2023, due to rapid sales growth, the actual production of silver powder of our operating subsidiary, Janbon Colloidal Materials, exceeded its environmental assessment quota of 50 tonnes per year approved by the Jinan Municipal Bureau of Ecology and Environment* (濟南市環境保護局) at the time. To address this issue, Janbon Colloidal Materials promptly implemented expansion measures and obtained an updated environmental assessment quota of 1,500 tonnes per year in July 2023. In addition, Janbon Colloidal Materials received confirmation letters issued in October 2023 by Jinan Tianqiao District Emergency Management Bureau* (濟南市天橋區應急管理局), Jinan Tianqiao District Development and Reform Bureau* (濟南市天橋區發展和改革局), and Jinan Tianqiao District Ecological Environment Bureau (Tianqiao Sub-bureau)* (濟南市生態環境局天橋分局), competent authorities advised by our PRC Legal Adviser, confirming that the prior overproduction incidents did not constitute a material violation of laws or regulations and no related penalties were imposed. Our PRC Legal Adviser is of the view that: (i) the prior overproduction incidents of the production facility did not constitute a material breach of the relevant PRC laws and regulations; (ii) Janbon Colloidal Materials has expanded its environmental assessment quota from 50 tonnes per year to 1,500 tonnes per year and has completed all necessary filings and approval procedures; and (iii) the risk of penalties being imposed on Janbon Colloidal Materials in this respect is remote. Therefore, our Directors are of the view that these incidents did not have any material adverse impact on our business, operations, or financial condition.

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The utilisation rate of our production facility increased from 36.7% for the year ended 31 December 2023 to 43.4% for the year ended 31 December 2024. This increase can be attributed to the fact that although the designed production capacity remained unchanged, our production volume increased in line with the increased sales volume of our silver powder products during the corresponding periods. The utilisation rate subsequently slightly decreased to 41.4% for the year ended 31 December 2025 and further to 37.0% for the five months ended 31 May 2026, due to lower production volume consistent with the decrease in sales volume of our silver powder products during the corresponding periods. For more details about the changes in our sales volume, see “Financial Information — Review of Historical Result of Operations” in this Document.

Production Equipment and Staff

We own all of our production equipment and machinery. Most of our production equipment and machinery are sourced domestically in China, while certain high-precision equipment used in post-processing steps is imported. The equipment and machinery used in our productions were either standard machinery and equipment which are readily available on the market or tailor-made equipment produced based on the designs we provided to the manufacturers. We believe that we do not materially rely on any machinery and equipment manufacturers as these manufacturers are widely available. Our major production equipment and machinery have an estimated useful life from five to 10 years. Depreciation is calculated on a straight-line basis to write off the cost of our production equipment and machinery to its residual value over its estimated useful life.

The following table describes our main production equipment and machinery as of the Latest Practicable Date:

<u>Name of the Equipment</u>	<u>Usage and Characteristics of the Equipment</u>
Glass-lined reactor	Dissolve materials; silver powder synthesis
Electronic balance	Weigh materials
Purified water cooling system	Control water temperature
Automated feeding system	Control the material feeding process
Polypropylene tank	Solid-liquid separation
Diaphragm pump	Extract liquid
High-speed disperser	Disperse silver powder
Centrifuge	Solid-liquid separation
Hot air circulation oven	Dry silver powder
High-speed mixer	Surface treatment of silver powder
Supersonic jet mill	dispersion; particle shaping
Ultrasonic vibrating screen	Remove impurities
Packaging machine	Packaging materials
Jet classifier	Remove impurities

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Maintenance

We carry out inspections and maintenance at our production facilities and for our machinery and equipment on a periodic basis. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material or prolonged suspension of operations due to failures of our machinery or equipment at our production facilities.

RESEARCH AND DEVELOPMENT

We prioritise research and development as a critical driver of our business. Our current research and development efforts are focused on advancing technologies and processes related to PV silver powder manufacturing, aiming to strengthen our strong market position in the industry. Additionally, we are exploring strategic areas such as non-PV applications and alternative conductive materials, including copper powder and silver-coated copper powder, to enhance our long-term competitiveness. Looking ahead, our research and development strategy will also emphasise efficiency improvements to address increasing price competition from domestic players.

During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our research and development expenses amounted to RMB24.8 million, RMB26.5 million, RMB27.8 million, RMB8.8 million, and RMB17.6 million, respectively, representing 74.7%, 63.2%, 52.2%, 51.9%, and 71.5% of our operating expenses during the same periods. For details on the accounting policies for our research and development expenses, please refer to Note 2.4 to the Accountants’ Report in Appendix I to this Document.

While fully protecting intellectual property through patents presents challenges in the silver powder industry, we safeguard our innovations through rapid product development and selective patent applications. 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. As of the Latest Practicable Date, we have not encountered any significant issues related to unauthorised disclosure of research and development information.

Key Technologies

We have developed an independent and comprehensive system of silver powder production technology and processes, with full proprietary intellectual property rights. Our system of silver powder production technology and processes is independent of other manufacturers. Since our inception, we have not acquired any related technology or technicians from other sources. We have mastered the entire silver powder production process, from ingredient mixing to silver powder synthesis, sedimentation and separation, washing, centrifugation, drying and post-treatment, sieving, and packaging.

There are four sets of our proprietary production technology that are key to our silver powder production:

- **Particle size control technology** — A standout feature of our silver powder production technology is our advanced particle size control technology, which we have descriptively named “infinite variable speed.” This technology enables us to produce silver powder particles at desired sizes within the broad spectrum of 0.1 to 3 μm , according to our customers’ specific requirements, rather than a limited number of pre-set size options. Additionally, we can attain the specified particle sizes with greater precision and smaller deviation;
- **Particle crystal structure control technology** — We have developed technologies and processes capable of producing various particle crystal structures, primarily including different types of monocrystalline and polycrystalline silver powders. Our technology can produce monocrystals that can be further categorised into regular monocrystals, twinned crystals, surface-nanosized monocrystals, etc. For polycrystalline silver powders, we can

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produce particles with different particle sizes (ranging from submicron to nanoscale), different shapes (wire-shaped, rod-shaped and flake-shaped), and different structures (dense, loose, and porous);

- ***Morphology control technology*** — In addition to spherical silver powder, which constitutes the vast majority of our products today, we have developed technologies to produce silver powder in various other shapes, such as flake-shaped, rod-shaped, and other morphologies; and
- ***Particle surface modification technology*** — We can modify the surface of silver powder particles to range from hydrophilic (polar) to oleophilic (non-polar). Our surface modification techniques include both chemical modification through functional group bonding and physical modification through surface coating.

Ongoing Product Development

We are actively advancing our research and development in three key product categories to support evolving downstream requirements and to enhance the performance and cost-effectiveness of our products:

- ***New PV silver series*** — We are developing a series of polycrystalline PV silver powders under the *168 series*, which are designed with relatively broader particle size distribution to improve printability and sintering balance. These silver powder products are particularly suitable for advanced cell structures such as TOPCon and xBC cells. Initial product models include *168-12* (1.2 μm), *168-14* (1.4 μm), *168-16* (1.6 μm), and *168-20* (2.0 μm). These series are currently at the mass production validation stage, and the *168-20 series* has achieved continuous commercial shipments to customers for xBC cell applications since September 2025. Another product series under development is our *170 series* of polycrystalline PV silver powder, which is designed with a polycrystalline porous structure to improve the balance between contact resistance and line resistance. This series is also intended for use in advanced PV cell technologies, including TOPCon and xBC cells. The initial product series include *170-13* (1.3 μm), *170-16* (1.6 μm) and *170-20* (2.0 μm). These products are currently undergoing pilot-scale production and trial mass production, and are expected to commence commercial shipments in the third quarter of 2026.
- ***Nano silver powder*** — We are also advancing the development of nano silver powder with particle sizes below 300 nm, using a liquid-phase reduction process that enables more precise control over particle size distribution. To differentiate from our *168 series* silver powders, which target immediate commercial applications in mainstream PV cell structures such as TOPCon and xBC cells, our nano silver powder development forms part of our longer-term product roadmap aimed at enabling next-generation, high-performance PV paste formulations. Our development of nano silver powder also aims to facilitate our expansion into non-PV sectors, where these materials exhibit promise in applications such as advanced electronic pastes, conductive coatings, and medical devices. Some models, such as *152-3* and *152-5N*, have reached mass production stage; the *152-2 series* has achieved mass production capability; other models under development, including *N50*, *N70* and *152-1*, are currently undergoing small-scale validation testing and are expected to achieve mass production capability by the fourth quarter of 2026.

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- **Silver reduction and substitution** — We are developing various powder products in order to address the industry-wide initiative to reduce silver usage and adopt non-silver alternative materials.

Firstly, we are developing the *160 series* of micron-sized silver powders composed of nano-crystalline aggregates. These powders are designed to exhibit ultra-high sintering activity comparable to that of nano-sized powders, while maintaining the standard micron-scale particle size widely used in PV paste formulations. This enhanced sintering performance promotes improved particle bonding and conductivity in the paste application process, thereby enabling the use of pastes with reduced silver content. These products are in the trial mass production and customer batch testing stage. Among them, the *160–10K series* has commenced small-scale customer deployment and has achieved commercial supply capability.

Secondly, we are developing silver-coated base metal powders, including *Cu@Ag-1*, *Cu@Ag-2* and *Cu@Ag-5* for copper cores, and *Al@Ag-1* and *Al@Ag-2* for aluminium cores. They are designed to reduce silver content while maintaining electrical conductivity and material reliability. They are currently at the pilot testing stage and we will continue refining them in accordance with the evolving needs and technical requirements of downstream applications.

Thirdly, we are developing spherical copper powders, which may be used either directly in all-copper paste applications or as base materials for producing silver-coated powders. Current models under development include *Cu-02*, *Cu-03*, *Cu-05*, *Cu-10*, *Cu-20*, *Cu-30* and *Cu-50*. They are presently at the small-scale testing stage, with selected models expected to reach mass production by the end of 2026.

The table below summarises key technical specifications of our principal product series currently under development:

					Particle Size Distribution	
					D50 (μm) ⁽¹⁾	D100 (μm) ⁽¹⁾
Product Series	Brief Description					
<i>New PV silver series</i>						
168-12	~1.2μm powder	polycrystalline	spherical	silver	1.0–1.2	≤3
168-14	~1.4μm powder	polycrystalline	spherical	silver	1.2–1.4	≤3.5
168-16	~1.6μm powder	polycrystalline	spherical	silver	1.4–1.6	≤4
168-20	~2.0μm powder	polycrystalline	spherical	silver	1.8–2.0	≤5
170-13	~1.3μm silver powder	polycrystalline	porous	spherical	1.2–1.4	≤3.5
170-16	~1.6μm silver powder	polycrystalline	porous	spherical	1.5–1.7	≤4
170-20	~2.0μm silver powder	polycrystalline	porous	spherical	1.9–2.0	≤5

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Product Series	Brief Description	Particle Size Distribution	
		D50 (μm) ⁽¹⁾	D100 (μm) ⁽¹⁾
<i>Nano silver powder</i>			
N50	~50nm monocrystalline silver powder	0.02–0.08	≤1
N70	~70nm monocrystalline silver powder	0.03–0.1	≤1
152-1	~100nm monocrystalline silver powder	0.05–0.15	≤1
152-2	~200nm monocrystalline silver powder	0.15–0.25	≤1
160-10K	~1.0μm aggregated nano-crystalline polycrystalline silver powder	1.0–1.5	≤3.5
160-20K	~2.0μm aggregated nano-crystalline polycrystalline silver powder	1.5–2.0	≤6
<i>Silver reduction and substitution</i>			
Cu@Ag-1	~1μm silver-coated copper powder	~1.0	≤6
Cu@Ag-2	~2μm silver-coated copper powder	~2.0	≤6
Cu@Ag-5	~5μm silver-coated copper powder	~5.0	≤12
Al@Ag-1	~1μm silver-coated aluminum powder	~1.0	≤6
Al@Ag-2	~2μm silver-coated aluminum powder	~2.0	≤6
Cu-02	~200nm spherical copper powder	0.1–0.3	≤2
Cu-03	~300nm spherical copper powder	0.2–0.4	≤2
Cu-05	~500nm spherical copper powder	0.4–0.6	≤2
Cu-10	~1μm spherical copper powder	0.8–1.2	≤4
Cu-20	~2μm spherical copper powder	1.6–1.8	≤6
Cu-30	~3μm spherical copper powder	2.6–2.8	≤8
Cu-50	~5μm spherical copper powder	4.0–6.0	≤12

Note:

- (1) D50 and D100 values are statistical measurements obtained from laser particle size analyser to describe the particle size distribution of a sample:
- 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; and
 - D100 represents the maximum particle size in the sample.

Joint Research and Development

In addition to our internal innovation efforts, we actively engage in collaborative projects with renowned universities, research institutions and experts in Shandong province on selected research projects. For instance, in November 2025, we entered into an agreement with a prestigious university in Shandong Province, the PRC to jointly develop manufacturing technologies for micro-nano copper powder and silver-coated copper powder for PV silver-reduction and silver-substitution applications. Under the project, we have developed two technical routes for the preparation of silver-coated copper powder, three technical routes for copper powder synthesis and two technical routes for the anti-oxidation surface modification of copper powder. We are currently progressing towards pilot-scale testing and commercial-scale production and intend to file patent applications in respect of the resulting technology achievements. We also conduct joint research and development exercises with selected customers. For example, in 2023, we started a three-year collaboration with Haitian Smart Manufacturing (海天智造) as part of the Heraeus PV Innovation Platform* (賀利氏光伏創新平台).

In these joint research and development exercises, the related agreements typically include intellectual property rights provisions, which allow us to retain the ownership of, and entitlement to the benefits arising from, the relevant intellectual property generated during the collaboration.

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RAW MATERIALS AND SUPPLIERS

Raw Materials

As of the Latest Practicable Date, we procure substantially all of our raw materials domestically. The key raw materials for our silver powder products include: silver nitrate; silver ingots; reducing agents, primarily Vitamin C ($C_6H_8O_6$); and dispersants, primarily polyvinyl pyrrolidone ($(C_6H_9NO)_n$). Silver nitrate is 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.

Our purchase of silver nitrate is significantly influenced by fluctuations in the prevailing silver price. However, these fluctuations do not have a substantial impact on our operations. See “Business — Our Operational Flow — Sales Order Placement” and “Business — Operational Flow — Procurement” of this Document for details of our sales and procurement order placement mechanism.

Major Suppliers

Our suppliers are primarily raw material providers. We carefully select our suppliers to ensure the quality of raw materials. This includes conducting on-site inspections by our production and quality control teams upon delivery. For new suppliers, we require them to provide samples of their supplies, which undergo stringent testing before we approve them for use in our production. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material shortages or delays in the supply of raw materials, and there had been no quality issues from suppliers that have materially and adversely affected our operations.

Most of our raw material suppliers are direct manufacturers of the relevant raw materials, with some being agents of the raw material manufacturers. We choose to source from these agent companies because they can offer more flexible business terms and more timely services. We believe that we have a good relationship with our key suppliers, which include state-owned silver nitrate manufacturers to private silver nitrate manufacturers, and their agents. None of these entities are our connected persons.

Purchases from our largest supplier 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 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. Further details regarding our five largest suppliers in each year/period during the Track Record Period are summarised in the table below:

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For the five months ended 31 May 2026

No.	Top Five Suppliers	Products Purchased by Us or Services Provided by Them	Purchase (RMB in thousand)	As a Percentage of Total Purchase	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Lanzhou Jinchuan Technology Park Co., Ltd.* (蘭州金川科技園有限公司)	Silver nitrate	3,065,999	75.1	A state-owned company established in 2010 in the PRC, with a registered capital of RMB1,826.5 million, and mainly engaged in the research and industrialisation of battery cathode materials and battery recycling, high-purity metals, deep processing of precious metals, and silver materials; direct manufacturer	Payment within seven days of delivery or payment on delivery	Bank transfer	2022
2	Hunan Zhongwei Xinyin Material Technology Co., Ltd.* (湖南中偉新銀材料科技有限公司)	Silver nitrate	865,021	21.2	A company established in 2022 in the PRC, with a registered capital of RMB290.1 million, and engaged in silver nitrate and silver powder manufacturing; direct manufacturer	Payment within seven days of delivery or payment on delivery	Bank transfer	2025
3	Jiangsu Jinji New Material Technology Co., Ltd.* (江蘇金集新材料科技有限公司) and an entity under its control	Silver nitrate	131,241	3.2	A company established in 2021 in the PRC, with a registered capital of RMB100 million, and mainly engaged in the business of various chemical additives; direct manufacturer	Payment before delivery	Bank transfer	2021
4	Supplier A	Silver ingot	5,276	0.2	A company established in 2021 in Singapore and engaged in sales of metals and metal ores	Payment before delivery	Bank transfer	2026
5	Supplier B	Vitamin C	2,761	0.1	A company established in 1990 in the PRC, with a registered capital of RMB361.5 million, and engaged in the research, production, and sales of vitamin C series products	Payment within five days of delivery	Bank's acceptance bill	2026

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For the year ended 31 December 2025

No.	Top Five Suppliers	Products Purchased by Us or Services Provided by Them	Purchase (RMB in thousand)	As a Percentage of Total Purchase	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Lanzhou Jinchuan Technology Park Co., Ltd.* (蘭州金川科技園有限公司)	Silver nitrate	3,335,991	68.7%	A state-owned company established in 2010 in the PRC, with a registered capital of RMB1,826.5 million, and mainly engaged in the research and industrialisation of battery cathode materials and battery recycling, high-purity metals, deep processing of precious metals, and silver materials; direct manufacturer	Payment within seven days of delivery or payment on delivery	Bank transfer	2022
2	Hunan Zhongwei Xinyin Material Technology Co., Ltd.* (湖南中偉新銀材料科技有限公司)	Silver nitrate	852,095	17.6%	A company established in 2022 in the PRC, with a registered capital of RMB290.1 million, and engaged in silver nitrate and silver powder manufacturing; direct manufacturer	Payment within seven days of delivery or payment on delivery	Bank transfer	2025
3	Jiangsu Jinji New Material Technology Co., Ltd.* (江蘇金集新材料科技有限公司) and an entity under its control	Silver nitrate	275,329	5.8%	A company established in 2021 in the PRC, with a registered capital of RMB100 million, and mainly engaged in the business of various chemical additives; direct manufacturer	Payment before delivery	Bank transfer	2021
4	Shanghai Zhebo New Material Technology Co., Ltd.* (上海浙鉑新材料科技有限公司)	Silver nitrate	220,671	4.5%	A company established in 2018 in the PRC, with a registered capital of RMB10 million, and engaged in the research, development, and sales of precious metals; the agent of well-known PRC silver nitrate manufacturers	Payment within one day of delivery	Bank transfer	2018
5	Zhejiang Hongda New Material Development Co., Ltd.* (浙江宏達新材料發展有限公司)	Silver nitrate and processing services ⁽¹⁾	84,789	1.7%	A company established in 1997 in the PRC, with a registered capital of RMB36.6 million, and mainly engaged in the hydrometallurgy, refining, and recovery of precious metals; direct manufacturer	Payment on delivery	Bank transfer	2023

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For the year ended 31 December 2024

No.	Top Five Suppliers	Products Purchased by Us or Services Provided by Them	Purchase (RMB in thousand)	As a Percentage of Total Purchase	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Lanzhou Jinchuan Technology Park Co., Ltd.* (蘭州金川科技園有限公司)	Silver nitrate and processing services ⁽¹⁾	1,857,168	47.9%	A state-owned company established in 2010 in the PRC, with a registered capital of RMB1,826.5 million, and mainly engaged in the research and industrialisation of battery cathode materials and battery recycling, high-purity metals, deep processing of precious metals, and silver materials; direct manufacturer	Payment within seven days of delivery or payment on delivery	Bank transfer	2022
2	Jiangsu Jinji New Material Technology Co., Ltd.* (江蘇金集新材料科技有限公司) and an entity under its control	Silver nitrate and processing services ⁽¹⁾	682,763	17.6%	A company established in 2021 in the PRC, with a registered capital of RMB100 million, and mainly engaged in the business of various chemical additives; direct manufacturer	Payment before delivery	Bank transfer	2021
3	Zhejiang Hongda New Material Development Co., Ltd.* (浙江宏達新材料發展有限公司)	Silver nitrate and processing services ⁽¹⁾	602,983	15.5%	A company established in 1997 in the PRC, with a registered capital of RMB36.6 million, and mainly engaged in the hydrometallurgy, refining, and recovery of precious metals; direct manufacturer	Payment on delivery	Bank transfer	2023
4	Tongbai Hongxin New Material Co., Ltd.* (桐柏泓鑫新材料有限公司)	Silver nitrate	412,921	10.6%	A state-owned company established in 2019 in the PRC, with a registered capital of RMB20 million, and dedicated to the research, production, and sales of silver nitrate, silver powder, silver paste, and silver salts; direct manufacturer	Payment before delivery	Bank transfer	2016 ⁽²⁾
5	Shanghai Zhebo New Material Technology Co., Ltd.* (上海浙鉅新材料科技有限公司)	Silver nitrate	261,833	6.7%	A company established in 2018 in the PRC, with a registered capital of RMB10 million, and engaged in the research, development, and sales of precious metals; the agent of well-known PRC silver nitrate manufacturers	Payment within one day of delivery	Bank transfer	2018

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For the year ended 31 December 2023

No.	Top Five Suppliers	Products Purchased by Us or Processing Services Provided by Them	Purchase (RMB in thousand)	As a Percentage of Total Purchase	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Lanzhou Jinchuan Technology Park Co., Ltd.* (蘭州金川科技園有限公司)	Silver nitrate	1,386,558	51.1%	A state-owned company established in 2010 in the PRC, with a registered capital of RMB1,826.5 million, and mainly engaged in the research and industrialisation of battery cathode materials and battery recycling, high-purity metals, deep processing of precious metals, and silver materials; direct manufacturer	Payment within seven days of delivery	Bank transfer	2022
2	Shanghai Zhebo New Material Technology Co., Ltd.* (上海浙鉑新材料科技有限公司)	Silver nitrate	727,771	26.8%	A company established in 2018 in the PRC, with a registered capital of RMB10 million, and engaged in the research, development, and sales of precious metals and their catalysts; the agent of well-known PRC silver nitrate manufacturers	Payment within seven days of delivery	Bank transfer	2018
3	Tongbai Hongxin New Material Co., Ltd.* (桐柏泓鑫新材料有限公司)	Silver nitrate	244,959	9.0%	A state-owned company established in 2019 in the PRC, with a registered capital of RMB20 million, and dedicated to the research, production, and sales of silver nitrate, silver powder, silver paste, and silver salts; direct manufacturer	Payment before delivery	Bank transfer	2016 ⁽²⁾
4	Jiangsu Jinji New Material Technology Co., Ltd.* (江蘇金集新材料科技有限公司) and entities under its control	Silver nitrate and processing services ⁽¹⁾	161,043	5.9%	A company established in 2021 in the PRC, with a registered capital of RMB100 million, and mainly engaged in the business of various chemical additives; direct manufacturer	Payment before delivery	Bank transfer	2021

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No.	Top Five Suppliers	Products Purchased by Us or Services Provided by Them	Purchase (RMB in thousand)	As a Percentage of Total Purchase	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
5	Zhejiang Hongda New Material Development Co., Ltd.* (浙江宏達新材料發展有限公司)	Silver nitrate	132,048	4.9%	A company established in 1997 in the PRC, with a registered capital of RMB36.6 million, and mainly engaged in the hydrometallurgy, refining, and recovery of precious metals; direct manufacturer	Payment on delivery	Bank transfer	2023

Notes:

- (1) Processing services refer to the services provided by the suppliers to us to convert the silver ingots into silver nitrate. We require such services when we provide processing services to some of our customers, whereby we manufacture and supply silver powder products to them using silver ingots provided by them and charge a processing fee.
- (2) Tongbai Hongxin (桐柏弘鑫) was established in 2019 to take over all the production and business operations of its predecessor. We have had a business relationship with its predecessor since 2016.

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None of our Directors, their associates or any shareholders holding more than 5% of our issued share capital, to the best knowledge of our Directors, had any interest in any of our five largest suppliers in each year during the Track Record Period and as of the Latest Practicable Date.

Key Commercial Terms

We have not entered into any long-term or exclusive agreements with our raw material suppliers during the Track Record Period. Instead, we typically enter into a purchase agreement with our suppliers for each purchase. Our raw materials purchase agreements typically contain the following key terms:

- **Pricing:** The agreements typically specify tax-exclusive unit prices, applicable taxes, and a total price inclusive of taxes. Prices are clearly stipulated in the agreements, which also outline the quality standards required for the products;
- **Delivery Terms:** Suppliers are responsible for delivering goods to our designated delivery location, typically our production facility, with all transportation, packaging, and related costs borne by the suppliers. Ownership and risk of loss are transferred upon inspection and acceptance of the goods at our facilities;
- **Payment Terms:** Our payment terms vary depending on the specific counterparties and circumstances, ranging from payment on delivery, payment before delivery, to payment within a few days after delivery;
- **Inspection and Quality Assurance:** All products are subject to inspection upon delivery at our facilities. Suppliers are required to provide products that meet the agreed-upon quality standards, including specifications related to size, quantity, functionality, and packaging. In the event of non-compliance or defects, suppliers must provide replacements or bear the costs of rectification. If repeated replacements fail to meet the required standards, we reserve the right to terminate the contract, with suppliers assuming responsibility for any resulting losses or damages; and
- **Confidentiality:** Both parties are obligated to maintain confidentiality regarding the technical materials, intellectual property, and agreement contents involved in the contract. Such information shall not be disclosed or shared without prior written consent.

Our Relationship with Major Suppliers

Our procurement of raw materials, primarily including silver nitrate, was concentrated to a certain extent. 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.

Our suppliers are primarily suppliers of silver nitrate. Lanzhou Jinchuan (蘭州金川), Zhejiang Hongda (浙江宏達), Jiangsu Jinji (江蘇金集), Shanghai Zhebo (上海浙鉑), and Tongbai Hongxin (桐柏泓鑫) were our primary suppliers of silver nitrate from 2023 to 2024 and Lanzhou Jinchuan (蘭州金川) and Hunan Zhongwei Xinyin Material Technology Co., Ltd.* (湖南中偉新銀材料科技有限公司) (“Zhongwei Xinyin”) were our main suppliers of silver nitrate for 2025 and the five months ended 31 May 2026. The change was primarily attributable to our supplier selection process among qualified suppliers, taking into account factors such as commercial terms, supply stability and product quality. In particular, we considered Lanzhou Jinchuan (蘭州金川) and Zhongwei Xinyin (中偉新銀) to offer more favourable commercial terms, particularly credit terms, as well as reliable supply capabilities, supported by their respective state-owned enterprise and strong shareholder backgrounds, and to be capable of supplying silver nitrate that meets our raw material specifications and quality requirements. Silver nitrate supply is inherently concentrated in China, according to Frost & Sullivan. Therefore, we believe that the concentration level of our suppliers of

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silver nitrate is primarily due to the structural characteristics of the industry. 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 as described above.

We have established long-term and stable supply relationships with most of our principal suppliers of silver nitrate. Our collaboration spans over 10 years with Tongbai Hongxin (桐柏泓鑫), over eight years with Shanghai Zhebo (上海浙鉑), over five years with Jiangsu Jinji (江蘇金集), over four years with Lanzhou Jinchuan (蘭州金川), and over three years with Zhejiang Hongda (浙江宏達). We are confident that each of these suppliers can prioritise our silver nitrate supply, mitigating the risk of any one supplier being unable to meet our demand. To further manage potential silver nitrate supply disruptions, we have implemented additional measures to address these risks. During the Track Record Period, we diversified our supplier base by procuring silver nitrate from Zhongwei Xinyin (中偉新銀), Zhejiang Hongda (浙江宏達), and other suppliers, offering additional alternatives if needed. According to Frost & Sullivan, silver nitrate is a standardised product, ensuring consistent quality from different suppliers to meet our production requirements. Additionally, the price of silver nitrate in China, according to the same source, is transparent and determined by the market price of silver, which do not vary significantly among silver nitrate manufacturers. Therefore, we believe that we have a sizeable selection of potential suppliers, reducing dependency on any single supplier.

During the Track Record Period, we have not experienced significant counterparty risks, and none of our suppliers have failed to deliver materials as agreed. To further minimise risks, we adhere to strict supplier selection criteria, prioritising suppliers with strong reputations, large operational scales, and established track records of reliability.

CUSTOMERS

Our customers include well-known PV silver paste manufacturers such as domestic listed and private companies and leading multinational enterprises. None of our major customers are our connected persons. The table below sets forth details on our five largest customers in each year/period during the Track Record Period, including their revenue contribution and business activities:

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For the five months ended 31 May 2026

No.	Top Five Customers	Products Sold or Services Provided by Us	Revenue (RMB in thousand)	As a Percentage of Total Revenue	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Changzhou Fusion New Material Co., Ltd.* (常州聚和新材料股份有限公司) and entities under its control	Silver powder and processing services	837,919	20.7%	A Shanghai Stock Exchange-listed PRC company established in 2015, with a registered capital of RMB242.0 million, and specialised in the production of PV silver paste	Payment before delivery	Bank transfer	2019
2	Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) and an entity under common control ⁽¹⁾	Silver powder	738,086	18.2%	A PRC company established in 2021, with a registered capital of RMB235.0 million, and mainly engaged in the manufacture of metallisation pastes of solar cells	Payment before delivery	Bank transfer	2022
3	Customer A	Silver powder	707,213	17.5%	A PRC company established in 2015, with a registered capital of RMB310.3 million, and a conductive silver paste and metallisation paste provider focusing on the manufacturing and supply of conductive PV silver pastes	Payment before delivery	Bank transfer	2024
4	Customer B and entities under its control	Silver powder	344,665	8.5%	A Shenzhen Stock Exchange-listed PRC company established in 2010, with a registered capital of RMB140.7 million, and focused on the production of conductive paste used in PV and semiconductor products	Payment before delivery	Bank transfer	2018
5	Guangzhou Rutech Development Co., Ltd.* (廣州市儒興科技股份有限公司) and entities under its control	Silver powder	317,514	7.8%	A PRC company established in 2000, with a registered capital of RMB360.0 million, that integrates research and development, production, and sales of electronic pastes	Payment before delivery	Bank transfer	2022

Note:

- (1) On 8 April 2025, Haitian Water Group Co., Ltd. (海天水務集團股份有限公司) (stock code: 603759.SH), through one of its wholly-owned subsidiary, completed the acquisition of Heraeus Photovoltaics (Shanghai) Co., Ltd. (賀利氏光伏(上海)有限公司). After the acquisition, Heraeus Photovoltaics (Shanghai) Co., Ltd. was renamed Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) on 7 November 2025. Another entity under the control of Haitian Water Group Co., Ltd. was also our customer in 2025 and the five months ended 31 May 2026.

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For the year ended 31 December 2025

No.	Top Five Customers	Products Sold or Services Provided by Us	Revenue (RMB in thousand)	As a Percentage of Total Revenue	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) and entity under common control ⁽¹⁾	Silver powder	1,086,508	21.4%	A PRC company established in 2021, with a registered capital of RMB235.0 million, and mainly engaged in the manufacture of metallisation pastes of solar cells	Payment before delivery	Bank transfer	2022
2	Changzhou Fusion New Material Co., Ltd.* (常州聚和新材料股份有限公司) and entities under its control	Silver powder and processing services	845,959	16.7%	A Shanghai Stock Exchange-listed PRC company established in 2015, with a registered capital of RMB242.0 million, and specialised in the production of PV silver paste	Payment before delivery	Bank transfer	2019
3	Customer A	Silver powder	715,847	14.1%	A PRC company established in 2015, with a registered capital of RMB310.3 million, and a conductive silver paste and metallisation paste provider focusing on the manufacturing and supply of conductive PV silver pastes	Payment upon delivery	Bank transfer	2024
4	Customer B and entities under its control	Silver powder	552,092	10.9%	A Shenzhen Stock Exchange-listed PRC company established in 2010, with a registered capital of RMB140.7 million, and focused on the production of conductive paste used in PV and semiconductor products	Payment before delivery	Bank transfer	2018
5	Zhejiang Guangda Electronic Technology Co., Ltd.* (浙江光達電子科技有限公司)	Silver powder and processing services	407,499	8.0%	A PRC company established in 2010, with a registered capital of RMB48.7 million, and specialised in the research, development, and production of high-end electronic pastes	Payment before delivery	Bank transfer	2021

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For the year ended 31 December 2024

No.	Top Five Customers	Products Sold or Services Provided by Us	Revenue (RMB in thousand)	As a Percentage of Total Revenue	Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
1	Customer B	Silver powder	1,449,086	36.7%	A Shenzhen Stock Exchange-listed PRC company established in 2010, with a registered capital of RMB140.7 million, and focused on the production of conductive paste used in PV and semiconductor products	Payment before delivery	Bank transfer	2018
2	Changzhou Fusion New Material Co., Ltd.* (常州聚和新材料股份有限公司) and an entity under its control	Silver powder and processing services	1,043,028	26.4%	A Shanghai Stock Exchange-listed PRC company established in 2015, with a registered capital of RMB242.0 million, and specialised in the production of PV silver paste	Payment before delivery	Bank transfer	2019
3	Zhejiang Guangda Electronic Technology Co., Ltd.* (浙江光達電子科技有限公司)	Silver powder and processing services	381,872	9.7%	A PRC company established in 2010, with a registered capital of RMB48.7 million, and specialised in the research, development, and production of high-end electronic pastes	Payment before delivery	Bank transfer	2021
4	Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) ⁽¹⁾	Silver powder	256,466	6.5%	A PRC company established in 2021, with a registered capital of RMB235.0 million, and mainly engaged in the manufacture of metallisation pastes of solar cells	Payment before delivery	Bank transfer	2022
5	Guangzhou Rutech Development Co., Ltd.* (廣州市儒興科技股份有限公司) and entities under its control	Silver powder	202,483	5.1%	A PRC company established in 2000, with a registered capital of RMB360.0 million, that integrates research and development, production, and sales of electronic pastes	Payment before delivery	Bank transfer	2022

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For the year ended 31 December 2023

No.	Top Five Customers	Products Sold or Services Provided by Us	As a		Company Background	Typical Credit Term	Payment Method	Year of Establishing Business Relationship with Us
			Revenue	Percentage of Total Revenue				
			(RMB in thousand)					
1	Changzhou Fusion New Material Co., Ltd.* (常州聚和新材料股份有限公司) and an entity under its control	Silver powder and processing services	1,255,912	45.1%	A Shanghai Stock Exchange-listed PRC company established in 2015, with a registered capital of RMB242.0 million, and specialised in the production of PV silver paste	Payment before delivery	Bank transfer	2019
2	Customer B	Silver powder	1,048,362	37.7%	A Shenzhen Stock Exchange-listed PRC company established in 2010, with a registered capital of RMB140.7 million, and focused on the production of conductive paste used in PV and semiconductor products	Payment before delivery	Bank transfer	2018
3	Guangzhou Rutech Development Co., Ltd.* (廣州市儒興科技股份有限公司)	Silver powder	157,899	5.7%	A PRC company established in 2000, with a registered capital of RMB360.0 million, that integrates research and development, production, and sales of electronic pastes	Payment before delivery	Bank transfer	2022
4	Haitian Smart Manufacturing (Shanghai) New Materials Co., Ltd. (海天智造(上海)新材料有限公司) ⁽¹⁾	Silver powder	126,623	4.6%	A PRC company established in 2021, with a registered capital of RMB235.0 million, and mainly engaged in the manufacture of metallisation pastes of solar cells	Payment before delivery	Bank transfer	2022
5	Customer C	Silver powder	47,733	1.7%	A National Equities Exchange and Quotations-listed PRC company established in 2013, with a registered capital of RMB52.0 million, and specialised in the research, production, and sales of metal conductive paste for high-efficiency crystalline silicon solar cells	Payment before delivery	Bank transfer	2023

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None of our Directors, their associates or any shareholders holding more than 5% of our issued share capital, to the best knowledge of our Directors, had any interest in any of our five largest customers in each year during the Track Record Period and as of the Latest Practicable Date.

Key Commercial Terms

We have not entered into any long-term or exclusive agreements with customers during the Track Record Period. Instead, our sales agreements are typically executed in one of the following two ways. For some customers, we enter into a one-year term framework sales agreement, under which the customers will execute individual purchase orders with us for each actual sale, clearly specifying pricing and other commercial terms. For other customers, we directly enter into a sales agreement with our customers for each sale, which contains pricing, delivery, and other commercial terms, as well as other standard non-commercial terms. In either scenario, our sales agreements with customers generally include the following terms:

- **Pricing:** We price our silver powder products by adding our mark-up to the prevailing silver price. The prevailing silver price is typically based on 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). Our mark-up accounts for our processing of silver nitrate or silver ingots into silver powder;

Our sales agreements with customers specify tax-exclusive unit prices, applicable taxes, and a total price inclusive of taxes. Typically, our agreements stipulate the agreed lumpsum price of our silver powder products, which aggregates the price of silver powder and our mark-up. In a few instances, the price of silver powder and our mark-up are listed separately in sales agreements;

- **Delivery Terms:** We are responsible for arranging delivery of our products to customer-designated locations. Ownership and risk of loss are transferred upon receipt of goods by the customer;
- **Payment Terms:** We usually require our customers to make the purchase payment before we start or upon delivering our products; and
- **Inspection and Quality Assurance:** All goods are inspected upon delivery at customer facilities. Customers retain the right to reject goods that fail to meet agreed specifications, and we are responsible for the related replacement or rectification. The agreements also outline warranties for product quality, typically for six months from delivery.

We have had no significant breaches of contracts or disputes with customers during the Track Record Period and up to the Latest Practicable Date.

Our Relationship with Major Customers

Our revenue was concentrated among our largest customers to a certain extent. In particular, 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 respective years/period.

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We believe that this concentration is reflective of the industry dynamics rather than an over-reliance on individual customers. 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 below. Our customer portfolio generally aligns with their respective market shares. For example, according to Frost & Sullivan, our five largest customers in both 2025 and the five months ended 31 May 2026, accounting for approximately 70% of our sales revenue during the same year/period, are all recognised as prominent PV silver paste producers in China. According to Frost & Sullivan, in 2025, they collectively represented approximately 50% of the silver paste market in China by sales revenue, which is largely in line with their contribution to our revenue during the same year.

We have cultivated enduring and long-term relationships with these prominent PV silver paste producers, having been supplying silver powder products to Customer B for over seven years, to Changzhou Fusion (常州聚和) for over six years, to Zhejiang Guangda (浙江光達) for over five years and to Haitian Smart Manufacturing (海天智造) for over four years, and expect to continue expanding our cooperation with them. In addition, we believe that it is equally important for these PV silver paste manufacturers to secure a reliable and sizeable supply source of high-quality PV silver powder, such as our Group, to ensure their stable operations. According to Frost & Sullivan, PV silver paste manufacturers typically have high requirements for the quality and performance of PV silver powder and conduct stringent evaluations when selecting suppliers. Meanwhile, since the production of silver paste requires formulating different types of silver powders, PV silver paste manufacturers prefer to cooperate with PV silver powder manufacturers who are familiar with their specific needs and can quickly respond to their technological changes, according to Frost & Sullivan. Furthermore, there were nearly 30 PV silver powder manufacturers globally as of 31 December 2025, and the selection of a sizeable and reliable quality provider, such as our Group, is even more limited. All these factors further limit the risks of these customers dramatically changing their relationships with us, as long as we are able to continue delivering high-quality products, adapting to changing market trends or technological advancements, and keeping the prices of our products competitive.

In addition, we have actively expanded our customer base during the Track Record Period to reduce customer concentration. 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 36.7% in 2024, 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 84.4% in 2024, 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. Looking ahead, we aim to further reduce our major customer concentration by strengthening relationships with other existing customers.

Furthermore, we believe that our long-term collaboration with major silver paste manufacturers demonstrates our strong partnerships with financially stable and reputable industry leaders who hold significant market dominance. These key customers provide a stable foundation for our business and exemplify the resilience and sustainability of our business, which is based on long-term collaboration with trusted market leaders.

Changes in our Major Customer Mix

In general, the composition of our major customers across different periods is influenced by one or more key factors, including: (i) our ongoing efforts to diversify customer base and reduce customer concentration, which involves maintaining strong relationships with key existing customers while actively developing other promising existing or new customers; (ii) the alignment of our commercial terms, primarily our mark-up level and credit terms, with a customer’s expectations; (iii) the technical compatibility of our specific series of silver powder products with the unique requirements of a given existing or new customer; (iv) fluctuations in the customer’s own demand for silver powder; and (v) the extent of a given customer’s use of our processing services, which would replace direct purchases of our silver powder.

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Supplier-Customer Overlap

During the Track Record Period, we had one instance of overlapping customer and supplier.

- Starting in 2024, we purchased recycled plastic barrels from Changzhou Fusion (常州聚和) that had previously been used to contain silver powder products. The purchase amount was RMB52,212.4, RMB28,318.6 and RMB15,929.2, accounting for 0.001%, 0.0006% and 0.0004% of our total purchase amount in the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively. Changzhou Fusion (常州聚和) ranked first, second, second, and first among our top five customers in the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, respectively. During the Track Record Period, our sales revenue to Changzhou Fusion (常州聚和) amounted to RMB1,255.9 million, RMB1,043.0 million, RMB846.0 million, and RMB837.9 million, respectively, representing 45.1%, 26.4%, 16.7%, and 20.7% of our total sales revenue for the corresponding years/periods.

All of the transactions that we entered into with the above overlapping suppliers and customers were on an arm’s-length, mutually independent basis under normal commercial terms. According to Frost & Sullivan, having such overlaps is normal in the PV market due to the high concentration of market players who are involved in both the sale of silver nitrate and the recycling of precious metals, including silver.

SALES AND MARKETING

Marketing and Customer Retention

We operate under a direct sales model, leveraging our established reputation as a prominent industry player to cultivate and maintain strong relationships with our existing customers. We initially established these connections through trade exhibitions and direct visits. Over time, our interactions with customers progressed to direct engagements with their senior executives, procurement officers, or research and development teams.

The PV silver paste industry, which represents the vast majority of our potential customers, is a mature and highly concentrated sector, with only a few key players maintaining a strong presence. This stability provides us with the opportunity to build long-term relationships with our customers, resulting in high retention rates. While fluctuations in market demand can impact the volume of customer orders, our reputation as a trusted supplier of high-quality PV silver powder products, along with our ongoing product enhancements and the introduction of new offerings to meet market demands, helps to ensure a consistent demand for our PV silver powder products. We place great emphasis on working closely with our customers to understand and meet their evolving product needs in response to PV cell technological advancements and market changes. We visit and communicate with our key customers on a regular basis. This collaborative approach is crucial for ensuring our new products meet the customers’ needs and successfully reach the mature sales stage.

Pricing Policy

We price our silver powder products by adding our mark-up to the price of silver. The price of silver is based on the prevailing silver market price, which 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). Our mark-up accounts for our processing of silver nitrate or silver ingots into silver powder. 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. According to Frost & Sullivan, this pricing model is customary across the PV silver powder industry in China.

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Warranty and After-Sales Services

We generally provide a six-month limited warranty for our silver powder products. This warranty covers damages resulting from quality issues during the specified period. We maintain robust after-sales service policies to address customer needs and enhance customer satisfaction. Our customer feedback and complaint handling processes enable timely and effective resolution of customer concerns.

We accommodate product replacements under specific conditions. Product exchange situations mainly include two scenarios: the customer would like to replace the original product series due to minor deviations in certain parameters; or the customer seeks to switch to a different product series due to their own reasons (such as changes in their original requirements). If the quality of our silver powder products deviates from the agreed standards before downstream processing, upon mutual confirmation, we will arrange for replacements after inspection. We may also accept product replacements if the customer seeks to switch to a different product series due to their own reasons (such as changes in their original requirements). Returned products will be handled according to the following principles based on product quality: if the returned products could meet the customer’s requirements after reprocessing, the reprocessed products would be redelivered to the customer; if the returned products are unsuitable for reprocessing for the original customer but could be used by other customers, they would be resold to other customers; if the returned products are neither suitable for reprocessing for the original customer nor meeting the requirements of other customers, the products will be downgraded for disposal as scrap materials. For quality-related replacements, we bear the associated transportation costs, and for customer-driven adjustments, the transportation costs are at the customer’s expense. During the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, the volume of our silver powder product replacements was approximately 7.9 tonnes, 19.9 tonnes, 16.4 tonnes, 10.5 tonnes, and 3.1 tonnes, representing 1.5%, 3.4%, 2.9%, 5.6%, and 1.5% of the total sales volume of our silver powder products for the same periods, respectively. We also allow for returns in the event of severe quality issues with our products, although there had been no actual occurrence of a product return during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any product recalls, returns, product liability claims, or customer complaints that have had materially and adversely affected our business.

Seasonality

During the Track Record Period, we did not experience significant seasonality in our business operations. However, the cyclical nature of the PV cell market does impact the supply-demand dynamics of our industry. As a precautionary measure, we typically maintain slightly higher inventory levels of finished goods and raw materials in the weeks before major public holidays in China. These holidays include Labour Day on 1 May, National Day on 1 October, and the Chinese New Year, which falls in late January or early February each year. According to Frost & Sullivan, this practice is common across the PV silver powder production industry in China and is intended to ensure timely fulfilment of customer orders and service continuity during and after major holidays. Customers often increase order volumes in advance of holidays to build up inventory; some may require urgent deliveries during the holiday period due to forecasting shortfalls; and many place replenishment orders immediately after holidays as production resumes. Higher inventory levels in the weeks before major public holiday will be helpful to accommodate these contingencies.

QUALITY CONTROL

Throughout our production process, we implement quality control measures to identify and address any defects or irregularities. We conduct inspections to monitor key product and production specifications, such as particle size, pH value, and morphology, during main production processes. Our employees are required to follow the guidelines outlined in our production operation and production process manuals. Our quality control personnel, production process personnel, and other

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dedicated staff members oversee and monitor every main stage of our operations, from raw material procurement to production processes and final product inspections. We have obtained ISO 9001:2015 Quality Management System Certification.

WAREHOUSING AND LOGISTICS

Following production, our silver powder products are packaged and stored in a dedicated warehouse specifically designated for finished silver powder products, with records kept in the inventory log. Our finished goods warehouse is located within our production facility. We engage qualified third-party logistics providers for the delivery of finished goods from our manufacturing facilities to locations specified by our customers. We maintain a stable supply of logistics providers. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material disruption in the delivery of our products or suffered any material loss as a result of delays in delivery or mishandling of our products.

INVENTORY MANAGEMENT

Our inventory primarily consists of finished goods, raw materials, goods in transit, and work-in-progress items. To efficiently manage our inventory, we use a flexible and responsive inventory management software system that records all inventory movements and aligns with production and procurement requirements. This system is accessible to relevant departments and staff, including procurement, finance, production, and warehouse, allowing them to view real-time inventory status and make necessary arrangements for procurement, production, and other tasks.

In addition to regular inventory management, during periods of increased uncertainty, we adjust and maintain slightly higher levels of finished goods and raw material inventory proactively or based on real-time communication with our customers. These periods include the weeks before the major public holidays in China, namely Labour Day on 1 May, National Day on 1 October, and the Chinese New Year, which falls in late January or early February each year. It also applies to periods when we expect an increased level of customer orders. This proactive approach ensures a stable supply and enables us to effectively meet market demand.

INTELLECTUAL PROPERTY

The protection of our core technology and intellectual property is crucial to our success. As of the Latest Practicable Date, we held 20 invention patents and 31 utility model patents. These patents and applications mainly relate to PV silver powder manufacturing technology and processes and underline our technical expertise and commitment to innovation. We consider these patents to be essential components of our research and development capabilities.

To safeguard our core technologies and prevent infringement, we have implemented the following policies: selective and timely registration of our research and development achievements as patents to strengthen intellectual property protection; inclusion of confidentiality clauses, ownership, and protection of intellectual property rights clauses in commercial and research and development agreements with third parties; implementation of confidentiality agreements, including non-compete clauses, with our employees to safeguard sensitive information; proactive identification of potential infringements on our intellectual property rights and appropriate actions based on the findings; and engagement of external counsels to conduct patent searches and infringement analysis specifically for our proprietary technology before applying for a patent. We had not been subject to any intellectual property infringement claim which had any material adverse impact on our Group during the Track Record Period and up to the Latest Practicable Date, and we were not aware of any such claims, either pending or threatened against us.

The table below presents the material patents we obtained as of the Latest Practicable Date. For more details, please see “Statutory and General Information — B. Further Information about our Business — 2. Intellectual Property Rights of Our Group — (c) Patents” in Appendix IV to this Document.

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<u>Patent Number</u>	<u>Patent</u>	<u>Type of Patent</u>	<u>Grant Date</u>	<u>Expiration Date</u>
202411733569.9	A Method for Producing Silver-coated Copper Powder (一種銀包銅粉的製備方法)	Invention	7 November 2025	29 November 2044
2024117333829	A post-treatment method for silver powder composite modification (一種銀粉複合改性後處理方法)	Invention	29 July 2025	28 November 2044
2022106183180	A Composite Particulate Silver Powder and Its Production Method and Application (一種複合型顆粒狀銀粉及其製備方法與應用)	Invention	9 May 2023	31 May 2042
2022106172082	A Cluster-Shaped Large-Particle Silver Powder and Its Production Method (一種花簇狀大粒徑銀粉及其製備方法)	Invention	21 March 2023	31 May 2042
2022106172059	A Globular Polycrystalline Silver Powder with Grain Orientation Focus and Its Production Method (一種晶粒定向聚集的全球形多晶銀粉及其製備方法)	Invention	3 March 2023	31 May 2042
2022106183123	A Globular Polycrystalline Silver Powder and Its Production Method (一種全球形多晶銀粉及其製備方法)	Invention	28 February 2023	31 May 2042
2021107745551	A Large Particle Silver Powder and its Production Method and Application (一種大顆粒銀粉及其製備方法和應用)	Invention	26 August 2022	7 July 2041
2021107755036	A Large Particle Silver Powder with Branched Structure and its Production Method and Application (一種具有支棧結構的大顆粒銀粉及其製備方法和應用)	Invention	12 August 2022	7 July 2041

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<u>Patent Number</u>	<u>Patent</u>	<u>Type of Patent</u>	<u>Grant Date</u>	<u>Expiration Date</u>
2021107755055	Rod-shaped Silver Powder and its Production Method (一種棒狀銀粉及其製備方法)	Invention	14 October 2022	7 July 2041
2021107754989	A Nanoscale Silver Wire and its Production Method (一種納米銀線及其製備方法)	Invention	10 March 2023	7 July 2041
202110819190X	A Size-Controlled Distribution of Spherical Silver Powder and its Production Method and Application (一種粒徑可控分佈的類球形銀粉及其製備方法與應用)	Invention	2 August 2022	19 July 2041
2019107450100	A Method for Producing Hexagonal Flake-shaped Micron-sized Silver Powder (一種六方片狀微米晶銀粉的製備方法)	Invention	28 June 2022	12 August 2039
2019107850349	A Method for Producing Micron-sized Silver Powder with Hollow Structure (一種含有空心結構的微晶銀粉的製備方法)	Invention	14 June 2022	22 August 2039
2020108483301	A Method for Producing Size-Controlled Nanoscale Silver Powder (一種粒徑可控的納米銀的製備方法)	Invention	22 February 2022	20 August 2040
2020108483299	A Micron-sized Silver Powder with Nanoscale Silver Surface Structure and its Production Method (一種具有納米銀表面結構的微晶銀粉及其製備方法)	Invention	14 September 2021	20 August 2040

PROPERTIES

We own and operate a single facility in Jinan City, Shandong Province, China, which serves as our primary factory and office premises. The property has a gross site area of 57,998.00 sq.m. and a gross floor area of 8,780.64 sq.m. It is utilised for purposes other than property activities as defined under Rule 5.01(2) of the Listing Rules.

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Pursuant to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document is exempted from the requirement under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which mandates a valuation report for all interests in land or buildings, as stipulated in paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption applies because, as of 31 December 2024, the carrying amount of our property does not account for 15% or more of our consolidated total assets.

During the Track Record Period, due to the lack of comprehensive understandings of the relevant regulatory requirements regarding the construction of buildings by our responsible staff at the relevant time, we failed to obtain relevant construction planning permit prior to commencement of construction of the construction works as required by the Urban and Rural Planning Law of the PRC (2019 Amendment), for our building used for storing sewage treatment equipment (污水處理設備間) (approximately 81m²) and our building for gas boiler (鍋爐房) (approximately 140m²), over the parcel of our owned land situated at No. 1009 Dexing Road, Tianqiao District, Jinan City, Shandong Province, PRC (the “Defective Owned Buildings”). As of the Latest Practicable Date, we have not obtained the building ownership certificate of such Defective Owned Buildings.

We are advised by our PRC Legal Advisor that according to the Urban and Rural Planning Law of the PRC (2019 Amendment) (《中華人民共和國城鄉規劃法(2019年修正)》), the relevant authority may order us to demolish the relevant construction within a prescribed time limit, confiscate the relevant property or illegal income and impose a fine of not more than 10% of the construction cost for our failure to obtain the construction project planning permit prior to commencement of construction.

Our Directors are of the view that such non-compliance incident would not have material adverse effect on the Group’s business operation and financial condition, considering: (i) the Defective Owned Buildings are the temporary structures enclosing the building used for storing sewage treatment equipment and the building for gas boiler, and are not used in our core production processes; (ii) the gross floor area of the Defective Owned Buildings represents approximately 2.5% of the total gross floor area of our owned properties; (iii) the estimated cost of relocation and/or rectification of the Defective Owned Buildings will be immaterial: for the building used for storing the sewage treatment equipment, the cost will be approximately RMB70,000; for the building used for gas boiler, the cost will be approximately RMB20,000; (iv) to their knowledge and based on the Public Credit Report of Business Entities in Shandong (Listing Edition)* (《山東省經營主體公共信用報告(無違法違規記錄證明上市專版)》) (file no. SDW2025091200056)) issued by the Social Credit Center of Shandong Province, competent authority as advised by our PRC Legal Advisor on 12 September 2025 (the “Public Credit Report”), during the Track Record Period and as of the Latest Practicable Date, Janbon Colloidal Materials has no records of administrative penalties, in respect of the defects in such Defective Owned Buildings; (v) Mr. Chen has provided an unconditional and irrevocable guarantee that, he will unconditionally and fully indemnify and compensate Janbon Colloidal Materials the amounts required to be paid, related fines, other associated costs and any penalties and/or losses incurred as a result of the above defects in the Defective Owned Buildings; and (vi) as advised by our PRC Legal Advisor, taken into account the facts as stated above in (i) to (iv), the defects in the Defective Owned Buildings will not have a significant impact on our continued operations.

To prevent the reoccurrence of the above non-compliances in the future, we have enhanced our internal control measures including: (a) having our management team to check whether all necessary permits and certificates have been obtained before the commencement of any construction works, otherwise the construction should be strictly prohibited; (b) seeking legal advices from legal advisers qualified under the PRC laws when it is unclear whether any permits and certificates must be obtained before construction; (c) obtaining written approval from the management of our Group

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before construction; (d) conducting audit department meeting regularly to discuss and monitor whether the required permits and certificates have been obtained; and (e) providing ongoing training to managers regularly to keep them abreast of the latest legal requirements.

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. 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 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.

As such, while our business operates on relatively thin profit margins, this is primarily attributable to the impact of the silver price, rather than any operational inefficiencies or inherent risks in our business model. Importantly, this does not necessarily suggest that our business faces heightened profitability risks. Our profit for the year grew by 32.1% from RMB59.9 million for the year ended 31 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 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, reflecting that we remained profitable and maintained a healthy financial performance. Almost simultaneously with our sales department confirming customer orders for our silver powder products, our silver nitrate supplier confirms our procurement order based on the silver market price referenced in the customer order. This process significantly limits our exposure to silver price volatility. For details of our sales and procurement mechanisms, see “Business — Our Operational Flow — Sales Order Placement” and “Business — Operational Flow — Procurement” in this Document.

Nevertheless, operating with thin profit margins, coupled with factors such as intense market competition, may make us more susceptible to adverse macroeconomic or industry-specific developments. In such scenarios, our profit margins could decline further, which could have a material adverse impact on our financial results and overall business condition. See “Risk Factors — We operate on thin profit margins, which may render us more susceptible to economic and/or industry downturns.”

Our Strategies and Plans to Improve 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. However, despite the associated thin profit margins, we have recorded positive gross and net profits during the Track Record Period, primarily due to our early-market entry advantage, strong market position, robust research and development capabilities, comprehensive production technologies and expertise, and stable and long-term relationship with our key customers, which are top-tier PV silver paste manufacturers.

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Nevertheless, 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:

- (i) **Expanding our processing services business.** Under this business model, customers provide the silver ingots used in production, while we manufacture PV silver powder products and charge processing fees. As a result, our processing services generally generate higher profit margins than our silver powder sales business. Revenue derived from processing services increased from RMB1.5 million in 2023 to RMB6.1 million in 2024 and further to RMB6.7 million in 2025.
- (ii) **Developing and commercialising higher-margin silver powder products.** We accelerated the research, development and commercialisation of higher-margin silver powder models, such as *152-3 series*, which generally carries mark-ups approximately two to four times those of other standard series. Sales volume of the *152-3 series* increased from 3.2 tonnes in 2024 to 6.2 tonnes in 2025, with corresponding revenue increasing from RMB23.6 million to RMB55.0 million. For the five months ended 31 May 2026, sales volume increased from 0.2 tonnes in the corresponding period of 2025 to 1.1 tonnes, while the corresponding revenue increased from RMB1.9 million to RMB22.1 million.
- (iii) **Strengthening cost control and improving production efficiency.** We strengthened cost control throughout our procurement and production processes. For example, the processing cost of a substantial portion of our silver nitrate decreased by approximately RMB16.7 per kg from January 2024 to May 2026. The average procurement costs of polyvinyl pyrrolidone ((C₆H₉NO)) and vitamin C (C₆H₈O₆) decreased by approximately RMB21.7 per kg and RMB5.1 per kg, respectively, from 2024 to 2025, and by approximately RMB4.5 per kg and RMB5.0 per kg, respectively, from the five months ended 31 May 2025 to the five months ended 31 May 2026. We also improved our production processes to reduce the unit consumption of raw materials and energy. For example, unit gas consumption decreased by approximately RMB0.5 per kg from 2024 to 2025. In addition, we developed and launched lower-silver-content products, including the *166-13 series*, the sales volume of which increased by 53.5 tonnes from 2024 to 2025 and by 18.4 tonnes from the five months ended 31 May 2025 to the five months ended 31 May 2026.

Based on current industry conditions and customer demand, we believe these measures have improved our profitability and will continue to contribute to our competitiveness. 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. For details, see “Business — Our Strategies — Strengthen Our Market Position in PV Silver Powder Production in China”. In addition, we will continue operating our processing services business in accordance with customers’ request. 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 an overview of these strategies, see “Business — Our Strategies”. See “Business — Research and Development — Ongoing Product Development” for a description of our principal product series currently under development, including non-silver alternative materials.

Silver-Coated Copper Powder

In particular, as a key component of our strategic initiatives to broaden our product portfolio and improve profitability, we are actively engaged in the development of silver-coated copper powder products, which generally yield higher gross profit margins compared to traditional silver powder products. This cost difference results in a higher percentage of processing fees within the total product pricing structure. In 2025, we launched two R&D projects focused on low

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silver-content silver-coated copper powder based on displacement and liquid-phase electroplating technologies respectively, incurring total R&D expenditure of approximately RMB5.1 million. We plan to further allocate RMB5.0 million in 2026, to support research and development projects focused on silver-coated copper powder. For details, see “Business — Research and Development — Ongoing Product Development”.

The application of silver-coated copper powder in PV cells remains at an early stage within the industry and is subject to high technical and commercial entry thresholds. Key technical requirements include maintaining low silver content to achieve cost reduction targets, strong oxidation resistance for sustained electrical performance, and consistent product quality suitable for scale-up production. Meeting these standards necessitates specialised research and development capabilities and stringent control over production processes. Leveraging our existing technical expertise and production experience in silver powder, we believe that we are well-equipped to advance the development of silver-coated copper powder. According to Frost & Sullivan, silver-coated copper powder is gradually replacing regular PV silver powder due to its high cost-effectiveness. As the technology matures and the penetration rate of N-type cells increases, the market demand for silver-coated copper powder is expected to witness a continuous growth. According to Frost & Sullivan, the sales volume of silver-coated copper powder in China is expected to increase from approximately 350 tonnes in 2025 to 800 tonnes in 2026, and further increase to approximately 1,500 tonnes in 2027. As of the Latest Practicable Date, we have achieved pilot-scale production of silver-coated copper powder with silver content below 10% and have established testing protocols aligned with downstream application requirements.

The competitive landscape for silver-coated copper powder is evolving, with the presence of new market entrants, companies from related material sectors, and existing established players in the PV supply chain. We believe that our long-term customer relationships, industrial-scale production capabilities, and proven track record in commercialisation position us favourably to compete in this dynamic market segment.

Non-PV Silver Powder

A key current focus of our efforts to expand into non-PV silver powder applications includes the development of nano silver powder for non-PV uses. Nano silver powder generally commands higher pricing compared to PV-grade silver powder due to more stringent technical specifications and greater production complexity. Specifically, nano silver powder is characterised by smaller particle sizes and higher surface activity, requiring superior dispersion performance. For more information, see the section “Business — Research and Development — Ongoing Product Development”. According to Frost & Sullivan, the non-PV nano silver powder market faces high technical entry barriers, including strict requirements on particle uniformity, dispersion control, and process compatibility. This segment is currently dominated by a small number of advanced overseas material companies, with commercialisation still in the early stages.

Our Core Ability to Capture the Market Demand

We believe that our independent and comprehensive silver powder production technology is our core ability to capture the market demand. As disclosed in “— Research and Development — Key Technologies,” four key sets of technologies underpin our silver powder production processes:

- (i) **Particle size control technology.** Leveraging this technology, we are able to satisfy differentiated particle size specifications from different customers. For example, different customers’ required D50 particle size specifications for *152–20 series* range from 1.83–1.85 μm to 1.87–1.92 μm and 1.90–1.92 μm . We have also developed products with a broad particle size distribution (distribution coefficient of 0.6–0.8) to address increasing demand from advanced PV cell technologies, including TOPCon and xBC cells. Leveraging this capability, we completed the development, pilot-scale production and mass production of the *168 series*. As of 31 May 2026, cumulative shipments of *168–20 series* reached approximately 6.4 tonnes. Shipments of other broad particle size distribution products

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also increased significantly, with shipments of *152–2010K series* increasing from approximately 0.03 tonnes in 2024 to approximately 18.0 tonnes in 2025 and reaching approximately 4.4 tonnes during the five months ended 31 May 2026, while shipments of *152–2510M series* increased from approximately 2.4 tonnes in 2024 to approximately 3.9 tonnes in 2025 and further to approximately 6.4 tonnes during the five months ended 31 May 2026;

- (ii) **Particle crystal structure control technology.** Leveraging this technology, we developed the *150 series* of high-crystallinity silver powder and the *166–13 series* of composite-structure silver powder, with cumulative shipments of the *166–13 series* reaching approximately 77.5 tonnes as of 31 May 2026;
- (iii) **Morphology control technology.** We have achieved mass production of spherical silver powder with particle sizes ranging from 0.1 μm to 3 μm and a particle size deviation of less than $\pm 1\%$, and have further expanded our product portfolio to include nano silver powder ranging from 30 nm to 100 nm. We have also successfully developed the porous-structured *170 series*, which has completed pilot-scale and trial mass production and demonstrated favourable customer validation results; and
- (iv) **Particle surface modification technology.** Leveraging this technology, we developed three new surface modification processes, which enhanced the dispersion performance of nano silver powder and supported the development of products including *152–3T* and *152–3E series*. As of 31 May 2026, cumulative shipments of *152–3T series* exceeded approximately 1.7 tonnes for high-copper paste and low-temperature curing applications.

Please also see “— Research and Development — Ongoing Product Development” for details of our ongoing research and development in three key product categories to support evolving downstream requirements and to enhance the performance and cost-effectiveness of our products.

KEY DRIVERS OF THE HISTORICAL DEVELOPMENT OF OUR BUSINESS

Since 2012, we have continuously invested in the development and commercialisation of PV silver powder production. However, as we had not yet achieved sufficient production and sales scale until 2022, our continued investment had resulted in a financial position of accumulated losses over the years. From 2021 to 2022, with a combination of external general industry and internal product development factors, we achieved a significant increase in the sales volume of PV silver powder, thereby beginning to generate profits. In particular, we recorded a profit for the year of RMB24.2 million for the year ended 31 December 2022, and our accumulated losses decreased from RMB83.2 million as of 1 January 2022 to RMB59.0 million as of 31 December 2022. 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.

The significant increase in the sales volume of the Company’s silver powder from 55.6 tonnes in 2021 to 388.8 tonnes in 2022 was primarily due to the following four reasons, which collectively contributed to the increase:

- (1) **Continued localisation of PV silver powder manufacturing in China.** According to Frost & Sullivan, China’s PV silver powder industry has only moved from the exploration stage to the domestic substitution stage since 2020. During the initial stage from 2000 to 2005, China’s PV silver powder supply mainly relied on imports. During the exploring stage from 2006 to 2019, a number of China’s manufacturers increased their investment in research and development, and gradually improved their technical levels. Their PV silver powder product quality and performance also gradually approached the international advanced level. After entering the domestic substitution stage since 2020, domestic manufacturers have been dedicated to enhancing their technical capabilities to compete

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with international suppliers in terms of product performance. In particular, the localisation rate of PV silver powder in China in terms of sale volume increased significantly from 37.0% in 2021 to 64.9% in 2022.

- (2) **Increased demand for PV silver powder.** According to Frost & Sullivan, from 2021 to 2022, China’s newly installed PV capacity increased substantially from 54.9 GW to 87.4 GW, and the total production volume of PV cells in China increased from 198.0 GW to 330.6 GW. Such significant growth in downstream demand has promoted the development of the PV cell industry, and has correspondingly driven the demand for PV silver paste and PV silver powder.
- (3) **Breakthrough in product development.** As an important contributor of the localisation of silver powder manufacturing in China, our Group has made considerable investments and progress in silver powder production technology and processes. Over the years, our Group has successfully developed silver powder products that can serve as substitutes for imported products in terms of key product performance. At the same time, through continuous communication, nurturing, and alignment with key customers (silver paste manufacturers) over the years, they gradually accepted our silver powder products as their supplies, which, together with the other industry factors stated above, led to a significant increase in our sales in 2022.

Specifically, our newly developed 152 series products were the main contributor to our sales growth from 2021 to 2022. The 152 series products are primarily used for PERC cells. We commenced their research and development in early 2021 and achieved successful development in early 2022. After a few months of initial unstable production, their stable mass production commenced in May 2022. In terms of product performance, compared to our prior QP series of silver powder products, the 152 series not only maintained the high electrical performance of the QP series but also significantly improved printability and stability, resulting in better adaptability and making it favored by downstream silver paste customers. Notably, from 2021 to 2022, with the transition from the QP series to the 152 series, we underwent an upgrade of our silver powder production processes, which significantly increased the single-batch yield of the silver powder products from 40 kg per batch to 100 kg per batch, thereby enhancing the overall product consistency of the 152 series of silver powder products. Customer feedback of the 152 series was positive. Gaining recognition from several major silver paste manufacturers and proving more compatible with their silver paste production, the sales volume of the 152 series began to surge from May 2022, aided by the external industry factors stated above.

- (4) **Long-term cultivation and breakthrough with key customers.** Our top two customers in 2021 were the same as our top two customers from 2022 to 2024, with their sales growth being the primary reason for the increase in sales from 2021 to 2022. These two customers were not new to us in 2021 and 2022, having established business relations in 2018 and 2019, respectively. Subsequently, leveraging our technological development strengths, stable and trusting cooperative relationships were gradually built, maintaining a considerable level of sales volume annually. Ultimately, in 2022, combined with the aforementioned external industry factors and breakthroughs in our 152 series products, the purchase volume from these two customers experienced significant growth.

The above-stated key factors contributing to the significant improvement in our business from 2021 to 2022 persisted during the Track Record Period and are expected to continue to significantly impact the Company’s business in the foreseeable future. These factors are also the main reasons for how our Group has evolved to its present state and scale of operations.

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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. Specifically, 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 million for the year ended 31 December 2025. The sales volume of our silver powder products increased by 12.1% from 529.8 tonnes for the year ended 31 December 2023 to 594.1 tonnes for the year ended 31 December 2024, and slightly decreased by 4.0% to 570.3 tonnes for the year ended 31 December 2025. According to Frost & Sullivan, during the same periods, the average price of silver in China increased by 30.6% from RMB4.9 thousand per kg for the year ended 31 December 2023 to RMB6.4 thousand per kg for the year ended 31 December 2024, and further increased by 34.4% to RMB8.6 thousand per kg for the year ended 31 December 2025. In addition, fluctuations in the price of silver were the main factor affecting our revenue for the five months ended 31 May 2026. Our total revenue increased by RMB2,641.3 million, or 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. The sales volume of our silver powder products increased by 13.2%, from 186.5 tonnes for the five months ended 31 May 2025 to 211.2 tonnes for the five months ended 31 May 2026. According to Frost & Sullivan, during the same periods, the average price of silver in China increased by 152.1% from RMB7.1 thousand per kg to RMB17.9 thousand per kg. 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.

In addition, fluctuations in silver prices may directly or indirectly impact our procurement plans, inventory level, and working capital. For procurement, we generally adopt an “on-demand manufacturing” approach for our silver powder production. This involves procuring raw materials, primarily including silver nitrate, and commencing manufacturing based on customer orders. As such, our procurement plan is not directly affected by silver price fluctuations. However, our procurement plan may be indirectly affected because PV cell manufacturers, the ultimate customers for our PV silver powder products, bear the cost of silver, and they may increase order volumes during periods of lower silver prices and reduce them when prices are high. Generally, our inventory level is not directly affected by silver price fluctuations. For finished goods and our primary production raw material, silver nitrate, we maintain a certain level of inventories determined by our assessment of the customer orders received and any potential urgent customer needs. For other auxiliary materials, we keep a level of inventory based on anticipated requirements to prevent disruptions during the production process. See “Business — Inventory Management”. However, provided that customer orders can be fulfilled, we may moderately reduce inventory levels to manage our working capital more efficiently, particularly during periods of higher silver prices. Silver price movements directly impact our working capital level. For example, our inventory primarily includes finished goods, raw materials and consumables, goods in transit and work in progress, most of which are valued with reference to silver price movements. As such, rising silver prices increase our

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inventory balance and thus our working capital, while decreasing silver prices reduce our working capital. We strive to better coordinate procurement and production planning to limit the effect of silver price volatility on our working capital.

For more information, see “Financial Information — Factors Affecting Our Results of Operations and Financial Condition — Silver Price”, “Financial Information — Review of Historical Results of Operations”, and “Risk Factors — Fluctuations in the silver price may have a material and adverse effect on our business, financial condition, and results of operations. Our historical revenue growth during the Track Record Period was partially attributable to increasing silver prices, which may not be sustainable” sections in this Document.

EMPLOYEES

As of the Latest Practicable Date, we had a total of 96 employees, all based in China. The table below sets forth a breakdown of our employees by function as of the Latest Practicable Date:

Function	Number of Employees	As a Percentage of Total Employees
Production	57	59%
Procurement and Sales	6	6%
Research and Development and Process Engineering	11	12%
General and Administrative	21	22%
Others	1	1%
Total	96	100%

We have entered into standard labour or service contracts with all of our employees and have signed confidentiality and non-compete agreements with those employees where we believe there is a need for the relevant protections.

We provide our employees with a basic salary, welfare subsidies (including transportation, communication, and seniority allowances), and bonuses. We also have an equity incentive plan in place for key employees. As required by the PRC laws and regulations, we participate in various employee social security plans organised by applicable local, municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans, under which we make contributions at a specific percentage of the salaries of our employees. We maintain good working relationships with our employees. Throughout the Track Record Period and up to the Latest Practicable Date, we had not experienced any major labour disputes, work stoppages, labour strikes, or work safety-related incidents that disrupted our operations.

Social Insurance Plan and Housing Provident Fund

According to the Social Insurance Law of the PRC (中華人民共和國社會保險法) and other relevant regulations, we are required to provide our employees with welfare schemes covering social insurance. According to the Administrative Regulations on Housing Provident Funds (住房公積金管理條例), we are required to make housing provident fund for our employees. The amount we are required to contribute for each of our employees under such employee benefits plan should be calculated based on the actual income of our employees, together with the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. During the Track Record Period, we failed to make contributions to the social insurance and housing provident funds in full amount for certain employees as required by the relevant PRC laws and regulations.

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For the three years ended 31 December 2023, 2024, and 2025 and for the five months ended 31 May 2026, the shortfall in our social insurance payment and housing provident fund payment was approximately RMB1.87 million, RMB2.04 million RMB2.72 million, and RMB1.12 million, respectively.

Reasons

- (i) Our Company contributes to social insurance and housing provident fund for our employees based on varying standards, such as the previous year’s average wages or the minimum contribution base stipulated by the local regulatory authorities, thereby resulting in instances where full contributions have not been made for certain employees.
- (ii) Four of our employees voluntarily opted out of social insurance and housing fund contributions for personal reasons.
- (iii) Two of our employees were reemployed retirees, for whom we are not required to make contribution to their social insurance or housing provident funds.
- (iv) Inadvertent and unintentional oversight and misinterpretation of the relevant PRC laws and regulations by our human resources department.

Possible legal consequences

Pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, we may be ordered to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue fine that equals to 0.05% of the total unpaid amount per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times the amount of any overdue payment. Pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund as required, the housing provident fund management centre may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Remedial actions and potential impact on the Group

Our Directors are of the view that such non-compliance incident would not have material adverse effect on the Group’s business operation and financial condition, considering: (i) to our knowledge and based on the Public Credit Report, confirming that from 1 January 2023 to 31 May 2026, we have not been subject to any administrative penalties, serious breach of trust, or other records of legal non-compliance due to violations of laws and regulations related to social insurance plans and housing provident fund contributions, nor have we been required to make payments or subjected to such penalties; (ii) we have not received any notice or notifications from the relevant authorities requiring us to pay the shortfalls; (iii) we have obtained relevant declarations from the four employees who voluntarily opted out of social insurance and housing fund contributions; (iv) we were not aware of any material employee complaints or claims with respect to social insurance and/or housing provident funds; (v) we will make payments for any shortfall for social insurance and housing provident fund contribution and penalties in a timely manner if and when required by the relevant authorities; (vi) Mr. Chen has provided an unconditional and irrevocable guarantee that during the tenure of Mr. Chen as the actual controller of Janbon Colloidal Materials, as well as during any period after Mr. Chen ceases to be the actual controller, if the competent authorities require us to make supplementary payments for social insurance and housing provident fund, Mr. Chen will unconditionally and fully indemnify and compensate Janbon Colloidal Materials the amounts required to be paid or supplemented, including social insurance and housing provident fund contributions, related fines, late payment fees, other associated costs and any losses incurred as a result; (vii) the Controlling Shareholder has provided an irrevocable indemnity against all claims, actions, demands, costs, charges, fees, expenses and fines suffered or incurred or to be suffered or incurred by us due to the underpayment of social insurance fund and housing provident fund; and

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(viii) as advised by our PRC Legal Advisor, taken into account the facts as stated above in (i) to (vii), under the premise that there are no significant changes to the current policies, regulations, and the enforcement or supervisory requirements of the competent authorities, and no employee complaints received, the risk that relevant authorities will require us to pay the shortfalls and impose material penalties on us for the shortfall for social insurance and housing provident fund contribution is remote.

We have formalised a set of procedures to prevent the recurrence of failure to make social insurance plan and housing provident fund contributions in full, including: (a) designating our finance department and administration department to supervise whether our human resources department has implemented the relevant procedures to make social insurance plan and housing provident funds contributions according to the relevant laws and regulators for our employees; (b) providing training to our staff in the human resources department when the relevant laws and regulations relating to social insurance plan and housing provident fund have been amended; (c) implementing procedures to calculate and pay social insurance plan and housing provident funds for our employees; (d) reviewing the implementation of the policies on social insurance and housing provident funds by our human resources department regularly to ensure they have been properly implemented in accordance with the PRC laws and regulations; (e) consulting PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and (f) maintaining close communication with relevant authorities on a regular basis to understand their requirements and interpretation of relevant rules and regulations, and make contributions to social insurance and housing provident fund in accordance with their specific guidance in a timely manner.

AWARDS AND RECOGNITIONS

Throughout the years, we have received numerous awards and recognitions from reputable institutions, acknowledging our commitment to quality and innovation. These awards highlight our adherence to industry standards, as well as the technological advancements embedded in our products. The table below showcases some of the most notable awards and recognitions we have achieved:

<u>Year of Grant</u>	<u>Award/Recognitions</u>	<u>Issued By</u>
2015 to Present	High and New Technology Enterprise* (高新技術企業)	Shandong Provincial Department of Science and Technology* (山東省科學技術廳), Shandong Provincial Department of Finance* (山東省財政廳), and State Taxation Administration Shandong Provincial Tax Service* (國家稅務總局山東省稅務局)
2021 to Present	Shandong Province “Specialised, Refined, Unique, and New” Small and Medium-sized Enterprise* (山東省「專精特新」中小企業)	Shandong Provincial Department of Industry and Information Technology* (山東省工業和信息化廳)

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Year of Grant	Award/Recognitions	Issued By
2023 to Present	Shandong Province Industrial Enterprise “One Enterprise One Technology” Research and Development Centre* (山東省工業企業「一企一技術」研發中心)	Shandong Provincial Department of Industry and Information Technology* (山東省工業和信息化廳)
2025	Shandong Province Outstanding Contribution Enterprise for High-Quality Development of the Private Economy* (山東省民營經濟高品質發展突出貢獻企業)	Shandong Provincial Development and Reform Commission* (山東省發展和改革委員會) and Shandong Provincial Department of Industry and Information Technology* (山東省工業和信息化廳)
2023	Shandong Province Engineering Research Centre for Electronic-Grade Metal Functional Materials* (電子級金屬粉體功能材料山東省工程研究中心)	Shandong Provincial Development and Reform Commission* (山東省發展和改革委員會)
2023	Jinan Enterprise Technology Centre* (濟南市企業技術中心)	Jinan Bureau of Industry and Information Technology* (濟南市工業和信息化局)
2023	Jinan Academician Expert Workstation* (濟南市院士專家工作站)	Organisation Department of Jinan City of the Communist Party of China* (中共濟南市組織部), Jinan Science and Technology Association* (濟南市科學技術協會)
2023	Top 100 Private Enterprises in Jinan* (濟南民營企業100強)	Jinan Municipal Bureau for the Development of Private Economy* (濟南市民營經濟發展局) and Jinan Federation of Industry and Commerce* (濟南市工商業聯合會)

MARKET AND COMPETITION

Global and China’s Silver Powder Industry

According to Frost & Sullivan, the sales revenue of silver powder in China increased from RMB41.0 billion in 2021 to RMB155.0 billion in 2025, representing a CAGR of 39.4%. Going forward, the sales revenue of silver powder in China is expected to reach RMB315.8 billion in 2030, growing at a CAGR of 15.3% from 2025 to 2030. In terms of the silver powder industry for PV applications, according to Frost & Sullivan, the sales revenue of PV silver powder in China increased from RMB14.3 billion in 2021 to RMB52.5 billion in 2025, representing a CAGR of 38.4%. Going forward, the sales revenue of PV silver powder in China is projected to reach RMB122.9 billion in 2030, growing at a CAGR of 18.5% from 2025 to 2030.

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According to Frost & Sullivan, 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, representing a CAGR of 19.2% from 2025 to 2030. In addition, according to Frost & Sullivan, the PV silver paste industry in China has high technical barriers, which imposes stringent requirements on research and development capabilities, production technologies, and quality control of manufacturers. Therefore, the market 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, HJT cells, and other cells in China grew at a CAGR of –42.4%, 234.8%, 71.2%, and –49.7%, 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%, respectively. In addition, the PV cell industry in China is relatively fragmented. As of December 31, 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. Intense competition over the past year has led to the removal of outdated production capacities 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.

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See “Industry Overview” for more details on the competitive landscape of the industry in which we operate. For risks related to our competitiveness in the industry, see “Risk Factors — Risks Relating to Our Business and Industry — 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.”

IMPACT OF THE COVID-19 PANDEMIC

Although the COVID-19 pandemic and the stringent government prevention and control measures created a challenging operating environment, the Directors are of the view that the pandemic did not have a material adverse impact on the Group’s business operations and financial performance. Such view is supported by the Group’s proactive mitigation measures, including: (i) arranging dedicated transportation and coordinating closely with upstream suppliers to alleviate logistics disruptions, thereby ensuring stable raw material procurement and product delivery; (ii) developing domestic alternatives for certain raw materials (such as polyvinyl pyrrolidone previously ultimately sourced from overseas) that faced supply disruption risks; and (iii) providing on-site accommodation and living facilities at production premises for employees, thereby maintaining normal production and operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) MATTERS

ESG GOVERNANCE

Led by the Board, we are committed to integrating ESG considerations into our business operations. The Board has the overall responsibility for overseeing ESG strategy, management approach, policies and performance, including ESG-related risks and opportunities (particularly climate-related matters), and reviews progress against relevant metrics and targets to ensure alignment with our long-term development.

To support the Board’s oversight, we have established an ESG working group comprising senior management and heads of major functional departments. Delegated by the Board, the ESG working group is responsible for coordinating ESG- and climate-related matters across the Group. Key responsibilities of the ESG working group include: (i) assessing the effectiveness of the ESG management framework and structure of the Group and advising on any necessary changes; (ii) monitoring the Group’s performance against its goals and targets; (iii) monitoring stakeholder’s feedback (including the review and approval of material issues and materiality matrix); (iv) identifying and advising the Board on significant ESG and climate-related risks and opportunities and corresponding action plans; (v) supervising the ESG-related functional departments to advance the Group’s sustainability agenda; and (vi) reviewing and approving the annual ESG report of the Group.

The ESG working group reports to the Board at least once a year on ESG performance, key risks and opportunities, and the implementation status of related measures. The Board retains the ultimate oversight responsibility for our ESG risk management.

Identification and Management of ESG-related Risks and Opportunities

We conduct periodic assessments to identify, assess and prioritize material ESG-related risks and opportunities relevant to our business, either negative or positive, actual or potential, taking into account our business nature, industry characteristics, and with reference to local and international reporting frameworks. With the assistance of third-party ESG consultants, we formulate a dual ESG-related risks and opportunities rating system to dynamically monitor and assess both the risks and the effectiveness of our corresponding mitigation measures. We assess identified ESG risks and opportunities by assigning initial risk ratings based on their likelihood and

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potential impact on our business, strategic, and financial performance. We then implemented corresponding mitigating measures and determined residual risk ratings after taking into account the effectiveness of our ESG-related risk control measures.

Set forth below is a summary of identified material ESG-related risks and opportunities and the corresponding measures that have been formulated.

ESG-related risks	Timeframe and potential impacts	Our responses
Climate-related physical risks		
Acute risks: The increased severity and frequency of extreme weather events due to climate change (e.g., typhoons, rainstorms, floods)	Short, medium and long term <ul style="list-style-type: none"> • Damage to property and assets in our operating locations, which may adversely impact our financial results • Disruption to business operations, supply chain and logistics arrangement 	<ul style="list-style-type: none"> • Monitoring local weather forecast closely, reminding employees to remain familiar with business contingencies, and implementing emergency protective measures
Climate-related transition risks		
Policy and legal risks: Evolving climate-related laws and regulations in transition to a lower-carbon economy, including China’s 2060 carbon neutral goal	Medium to long term <ul style="list-style-type: none"> • Increase in compliance and operating costs 	<ul style="list-style-type: none"> • Regularly monitoring changes in laws and regulations, and promptly communicating updates to employees to ensure compliance
Other ESG-related risks		
Supply chain risks: Energy consumed and greenhouse gas (“GHG”) emissions released along the supply chain	Medium to long term <ul style="list-style-type: none"> • Increase in reputational and operational risks 	Establishing policies requiring suppliers to comply with applicable environmental regulations and to explore opportunities to minimize energy consumption where feasible
Supplier product quality and supply chain stability risks: Failure to meet customer expectations due to supply chain instability or unqualified product and service quality offered by suppliers	Short, medium and long term <ul style="list-style-type: none"> • Increase in reputational risks, which may adversely impact our financial results 	Establishing procurement and supplier management policies that define supplier evaluation criteria (quality, technical capability and delivery) and foster long-term partnerships

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ESG-related risks	Timeframe and potential impacts	Our responses
Climate-related opportunities Products and services: Increased market demand for products and services related to PV applications	Short to medium term <ul style="list-style-type: none"> Increased revenue due to growing market demand 	<ul style="list-style-type: none"> Developing innovative technologies and production processes to enhance product performance and quality
Resource efficiency: Increasing market and/or customer demand for adoption for equipment with higher energy efficiency and enhanced operational efficiency	Short to medium term <ul style="list-style-type: none"> Reduced operating costs 	<ul style="list-style-type: none"> Establishing energy conservation policies and measures, such as adopting energy-efficient lighting systems where appropriate and considering replacing with electric vehicles

ESG POLICY

We are committed to incorporating ESG factors into our business decision-making process. As such, we have established a group-level ESG policy complemented by a set of measures and initiatives to guide our actions and measures to strengthen our sustainability efforts.

Environment

Our environmental policy outlines our green practices and measures (as far as practicable), with a focus on emission reduction, waste reduction, resource conservation, protection of environmental and natural resources, as well as addressing climate change. As part of our ISO 14001:2015 environmental management system, we ensure our environmental management practices meet international standards and drive continuous environmental improvement.

In line with our sustainability efforts, we strive to integrate innovative production techniques with environmental considerations. For instance, we have innovatively introduced Vitamin C as the reducing agent in the industrial production of silver powder using the liquid-phase reduction method, which is generally more environmentally friendly and safer for employees compared to liquid-phase reduction method using other materials, such as formaldehyde (甲醛), which is a chemical compound with the formula CH_2O and a type of reducing agents.

Energy, Air and Greenhouse Gas Emissions Management

Our primary sources of energy consumption and GHG emissions (Scopes 1 and 2) are purchased electricity and fuel consumption.

To manage our energy consumption and reduce GHG emissions, we have adopted energy efficient equipment and LED lighting system, increased the use of natural light, and reminded employees to turn off lights and electrical equipment when not in use. We will also consider adopting electric vehicles where appropriate. We also collect and treat air emissions from our production processes using wet scrubbers.

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Water Consumption

Our water consumption mainly arises from municipal water usage in operations. We have implemented water saving measures, including timely repair of dripping taps, adoption of water-efficient fixtures, water consumption monitoring, and internal communications to encourage employees to reduce water usage.

Waste Management and Use of Resources

Non-hazardous waste mainly comes from non-hazardous industrial and general refuse while hazardous waste primarily includes residual materials, used lubricating oil and used oil drums from production. We ensure proper handling and disposal of all waste by engaging licensed third parties where necessary, with relevant departments responsible for classifying, collecting, and labelling waste by category. Hazardous waste is securely stored in designated areas and containers, with detailed records maintained by category. Our on-site wastewater treatment facilities help ensure compliance with discharge standards, with production wastewater separately pre-treated and all wastewater subsequently treated before final treatment at the industrial park’s wastewater treatment plant.

To minimise non-hazardous waste, we promote recycling, waste sorting, and double-sided printing and encourage employees to minimize waste generation.

Environmental Metrics and Targets

To advance our commitment to environmental protection, we have established the following reduction targets by 2030, using 2022 as the baseline, taking into account historical performance of the corresponding metrics and future business development.

- Reduce GHG emissions (Scopes 1 and 2) intensity (tCO₂e/million RMB revenue) by 63% by 2030;
- Reduce energy consumption intensity (MWh/million RMB revenue) by 71% by 2030; and
- Reduce water consumption intensity (m³/million RMB revenue) by 58% by 2030.

For details of our measures, please refer to “Energy, Air and Greenhouse Gas Emissions Management” and “Water Consumption” above.

The table below sets forth key environmental metrics of our business operations^{1, 2}:

		For the year ended 31 December			For the five months ended 31 May 2026
	Unit	2023	2024	2025	2026
Emissions					
GHG emissions³					
Total (Scopes 1, 2)	tCO ₂ e	1,870.54	1,819.94	1,630.87	629.18
Total (Scopes 1, 2, 3)	tCO ₂ e	1,970.47	1,943.28	1,788.92	698.31
(i) Direct emissions (Scope 1)	tCO ₂ e	746.27	591.08	406.08	187.50
(ii) Energy indirect emissions (Scope 2)	tCO ₂ e	1,130.37	1,235.23	1,229.04	445.90
(iii) Other indirect emissions (Scope 3) ⁴	tCO ₂ e	99.93	123.34	158.06	69.13
Emissions reductions from tree planting (Scope 1)	tCO ₂ e	6.10	6.37	4.25	4.22
Total (Scopes 1, 2) intensity	tCO ₂ e/million RMB revenue	0.67	0.46	0.32	0.16
Total (Scopes 1, 2, 3) intensity	tCO ₂ e/million RMB revenue	0.71	0.49	0.35	0.17

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			For the year ended 31 December			For the five months ended 31 May 2026
		Unit	2023	2024	2025	2026
<i>Use of Resources</i>						
<i>Energy</i>						
Total		MWh	5,568.76	4,924.84	4,147.86	1,705.11
(i)	Purchased electricity	MWh	1,852.76	2,024.64	2,127.47	771.85
(ii)	Unleaded petrol	MWh	35.66	26.18	22.96	9.76
(iii)	Natural gas	MWh	3,680.34	2,874.02	1,997.43	923.50
Intensity		MWh/million RMB revenue	2.00	1.25	0.82	0.42
<i>Water</i>						
Total		m ³	23,126.89	29,042.03	29,103.68	9,866.46
Intensity		m ³ /million RMB revenue	8.31	7.35	5.74	2.44

¹ The data covers the Group’s major business operations.

² Totals may not be the exact sum of numbers stated here due to rounding.

³ The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Scope 1 (Direct) emissions cover GHG emissions directly produced by business owned or controlled by the Group, Scope 2 (Energy indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other Indirect) emissions that occur in the Group’s value chain.

⁴ The Scope 3 emissions include available data arising from category 4: upstream transportation and distribution, category 6: business travel, category 7: employee commuting, and category 12: end of life treatment of sold products.

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being. Our social policy has outlined socially responsible practices and measures.

Employment and Labour Practice

We uphold principles of equal opportunity, diversity, and inclusiveness across recruitment, promotion and benefits. We respect labour rights, and we strictly prohibit child labour and any form of forced labour. We actively invest in our workforce by providing internal and external training programs to enhance professional skills and competencies. We also seek to strengthen employee engagement by organizing recreational activities and maintaining open communication channels to promote job satisfaction and a supportive working environment.

Occupational Health and Safety

Maintaining a healthy and safe workplace remains the Group’s top priority. To this end, we have obtained the ISO 45001:2018 occupational health and safety management system certification and established relevant health and safety policies and measures, including regular health examinations, providing protective personal equipment, and conducting regular workplace inspections. We also provide relevant health and safety training covering noise, dust, high temperatures and chemical handling, and emergency response measures and plans specifying the appropriate procedures and departments responsible for handling emergencies, such as exposure to toxic substances and fire. Additionally, we have developed a system of recording and handling accidents, which specifies that employees should notify their department head and that accidents should be handled according to the procedures specified by the applicable laws and regulations. During the Track Record Period, we were not aware of any material non-compliance with occupational health and safety or any material accidents within the Group.

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Supply Chain Management

We have established a supplier code of conduct which outlines our sustainability expectations including employment practices, health and safety, business ethics, data privacy and environmental protection on suppliers. Guided by our supply chain-related policies, ESG considerations are incorporated into our new supplier selection and regular supplier evaluation. In addition, we promote environmentally preferable procurement by prioritizing products with higher energy efficiency and encouraging suppliers to adopt environmentally friendly products and services.

Product Responsibility

We are committed to delivering high-quality and safe products and services. We have obtained the ISO 9001:2015 quality management system certification. Supported by our quality management team, we implement comprehensive quality control and assurance procedures. We have established quality control measures throughout our operations. See “Quality Control” for details.

To ensure customer satisfaction, we have put in place procedures for handling customer complaints. As of the Latest Practicable Date, we did not receive any material customer complaints. To safeguard customer privacy, we have also established preventive and protection measures, including user access restrictions to customer information. We have also established policies governing advertising and marketing activities, with materials subject to review before publication to prevent false or misleading information. Prevent false or misleading information.

Business Ethics

We uphold high standards of business ethics, and strictly prohibit bribery, extortion, fraud, money laundering and other unethical practices. We have established preventive measures, including anti-corruption training for the Board and employees, and whistle-blowing channels for reporting potential misconduct. The Board oversees the implementation and effectiveness of these measures. During the Track Record Period, we were not aware of any material non-compliance with any law or regulation or legal cases concerning bribery, corruption, extortion, fraud and money laundering.

Community Investment

We strive to contribute to the community and shoulder corporate responsibility. We will explore opportunities to establish additional focus areas for community investment, as well as partnerships with social impact organisations where appropriate.

Social Targets

To strengthen our commitment to safeguarding employee health and safety, we have established annual social targets to maintain (i) zero major safety incidents and (ii) zero work-related fatalities for our employees at our production facility. For details of our measures, please refer to “Occupational Health and Safety” above.

INSURANCE

As of the Latest Practicable Date, we have insurance policies in place to manage operational risks and comply with applicable PRC laws and regulations. Our insurance policies cover damages or losses related to our vehicles and employee accidents.

Our Directors are of the view that our existing insurance coverage is sufficient for our current operational needs and is consistent with industry norms. We will review and assess our risks and make necessary adjustments to our insurance coverage in line with our needs and industry practice. See “Risk Factors — Risks Relating to Our Business and Industry — We may not have adequate insurance coverage for losses and liabilities arising from various operational risks and hazards that we are subject to” in this Document for further details.

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We had not experienced any material claims or disruptions under our insurance policies during the Track Record Period and up to the Latest Practicable Date.

INFORMATION TECHNOLOGY

During the Track Record Period, our business operations primarily involved the production and sale of silver powders for PV applications. To support these operations, we have employed an OA office system for managing approvals and workflow processes, a financial system tailored for accounting and financial management, and a warehouse management system for inventory tracking. These systems are deployed on our owned servers. We have implemented measures to safeguard network security and data integrity. Our software systems are encrypted, and company computers have password protection. Data generated from our OA office, financial and warehouse management systems is stored on our own servers, with regular local backups performed. As of the Latest Practicable Date, we had not experienced any significant incidents of data leakage, cybersecurity breaches, or software infringement disputes. Our Directors believe that our existing information technology and data security measures are sufficient to support current operations and future growth.

INTERNAL CONTROL AND RISK MANAGEMENT

We are dedicated to the establishment and maintenance of a robust risk management and internal control system. We have adopted and have been continually improving our internal control mechanisms to ensure the compliance of our business operations. Furthermore, we conduct periodic review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency. We have been committed to promoting a compliance culture and will adopt policies and procedures on various compliance matters, including the Stock Exchange’s requirements on corporate governance and environmental, social and governance matters.

We are exposed to various risks during our operations. For details, see “Risk Factors” in this Document. In order to address these risks, we have put in place a set of internal control and risk management procedures to address various potential operational, financial, legal and market risks identified in relation to our operations, including revenue and receivables, inventory management, procurement and payment, fixed assets management, treasury management, human resources, financial reporting, tax management and information technology and other various financial and operational controls and monitoring procedures. These risk management policies set forth procedures for reporting risks identified in our operations.

To monitor the continuous implementation of 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:

- **Compliance with the Listing Rules:** We have adopted various policies to ensure compliance with the Listing Rules, including aspects related to corporate governance, connected transactions, and information disclosure, such as:
 - **Corporate Governance Improvements:** We are actively enhancing a corporate governance framework which includes the ongoing development of a structured risk identification and assessment mechanism to strengthen oversight and ensure compliance with regulatory standards.
 - **Internal Control Strengthening:** We are working on establishing an internal control monitoring and evaluation framework, including structured reporting mechanisms for identified control deficiencies.
 - **Inventory and Production Control:** We have taken measures to enhance the security and oversight of our inventory and production processes. This includes periodic inventory inspections to prevent loss, theft, or mismanagement of inventory.

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Additionally, we are working to establish more structured procurement and supply chain management practices to ensure operational efficiency and mitigate risks associated with inventory shortages or over-accumulation.

- **Occupational Health and Safety (OHS) Management:** We recognise the importance of workplace safety and regulatory compliance. We have begun implementing measures aimed at improving workplace safety protocols, including enhanced risk assessment for hazardous operations and the establishment of safety procedures for employees working in manufacturing environments. Further efforts are planned to develop a formalised OHS management system to align with industry best practices.
- **Operational Risk Management:** We have adopted various measures to safeguard critical aspects of our business operations, including intellectual property protection, supply chain security, and information system risk management.
- **Financial Reporting and Internal Audits:** We have put in place a financial reporting system to enhance the accuracy and reliability of financial data. Our financial department ensures compliance with accounting policies and regularly reviews management accounts to detect any irregularities.
- **Audit Committee and Board Oversight:** To monitor the ongoing implementation of our risk management policies, we have established an audit committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of Mr. Chan Ngai Fan, Dr. Cui Haitao and Ms. Xu Qian, with Mr. Chan Ngai Fan being the chairman of the committee. See “Directors and Senior Management — Board Committees” in this Document.

Our internal control group is responsible for reviewing the effectiveness of internal controls and improving our internal control system by identifying its weaknesses on an ongoing basis. The internal control group reports any major issues identified to the management on a timely basis.

We have engaged an independent third party consultant (the “Internal Control Consultant”) to perform a review over selected areas of the internal controls over financial reporting in December 2024. The areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included our Group’s entity-level controls and internal controls of various processes, including environment of control, risk assessment, control activities, information and communication, oversight, sales, accounts receivable and collection, procurement, accounts payable and payment, inventory management and logistics, production and costs, research, development and intangible asset management, outsourcing and collaboration management, human resources and compensation, fixed asset management, cash management and investment management, insurance management, financial reporting and information disclosure control, tax management, IT general controls, and safety, health, and environmental protection. During the review process, certain specific areas for improvement were identified and we have taken corrective actions accordingly. The Internal Control Consultant has conducted a follow-up review on internal control deficiencies identified within the scope of the engagement, confirming that our remedial measures are in place and no further recommendations are required at this stage.

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LICENCES AND PERMITS

As of the Latest Practicable Date, as advised by our PRC Legal Adviser, we have obtained all material licences and permits required for our business operations in the PRC. All such licences and permits are held by Janbon Colloidal Materials, our operating subsidiary in the PRC. We set out below the material licences and permits for our operations as of the Latest Practicable Date:

No.	Name of licences and permits	Issuing authority	Date of registration	Date of expiration
1	High technology and new technology enterprise certificate* (高新技術企業證書)	Shandong Provincial Department of Science and Technology* (山東省科學技術廳), Shandong Provincial Department of Finance* (山東省財政廳), Shandong State Administration of Taxation* (國家稅務總局山東省稅務局)	From 7 December 2024	6 December 2027
2	Certificate of conformity quality management system certification (質量管理體系認證證書)	China Quality Mark Certification Group (方圓標誌認證集團有限公司)	From 5 August 2025	4 August 2028
3	Certificate of conformity occupational health and safety management (職業健康安全管理体系認證證書)	China Quality Mark Certification Group (方圓標誌認證集團有限公司)	From 5 August 2025	4 August 2028
4	Certificate of conformity environmental management system certification (環境管理体系認證證書)	China Quality Mark Certification Group (方圓標誌認證集團有限公司)	From 5 August 2025	4 August 2028
5	Registration form for foreign trade operator* (對外貿易經營者備案登記表)	Filing and Registration Authority of Foreign Trade Operators* (對外貿易經營者備案登記機關)	28 December 2017	N/A
6	People's Republic of China Customs declaration unit registration certificate* (中華人民共和國海關報關單位註冊登記證書)	Jinan Customs District, People's Republic of China* (中華人民共和國濟南海關)	17 January 2018	31 December 2099
7	Permit for Discharge of Urban Wastewater into the Drainage Pipe Network (城鎮污水排入排水管网許可證)	Administrative Examination and Approval Service Bureau of Tianqiao District, Jinan City (濟南市天橋區行政審批服務局)	1 August 2025	31 July 2030

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be involved in contractual or other disputes or legal proceedings arising out of the ordinary course of business or pursuant to governmental or regulatory enforcement actions. 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. For the potential impact of legal or other disputes on us, see “Risk Factors — Risks Relating to our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could have a material and adverse effect on our business, results of operations and financial condition.”

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Legal Compliance

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.