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Application Proof of

Jinan Janbon Metallic Materials Co., Ltd.
濟南建邦金屬材料股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Jinan Janbon Metallic Materials Co., Ltd.
濟南建邦金屬材料股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per H Share (payable in full in Hong Kong dollars on [REDACTED] plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
[REDACTED]	:	**[REDACTED]**

Sole Sponsor, [REDACTED]

中信建投國際
CHINA SECURITIES INTERNATIONAL

[REDACTED]

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below as stated in this Document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of our Company at **www.sdjbsp.com** and the Stock Exchange at **www.hkexnews.hk** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. For further information, please refer to the sections headed "Structure of the [REDACTED]" in this Document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to [8:00 a.m.] on the [REDACTED]. Further details of such circumstances are set out in "[REDACTED]".

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

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

OVERVIEW

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

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

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

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

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

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

OUR COMPETITIVE STRENGTHS

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

OUR STRATEGIES

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

OUR PRODUCTS AND SERVICES

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

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

Notes:

(1) Others primarily include silver powder generated as scrap or substandard products during our production and research processes, which we sell as recyclable precious metals.

(2) Processing services refers to us providing processing services for some of our customers, whereby we manufacture and supply silver powder products to them using silver ingots provided by these customers and charge a processing fee.

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

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

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

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

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

PRICING POLICY

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

PRODUCTION FACILITY

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

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

Notes:

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

(2) The utilisation rate for the year is calculated by dividing the actual production volume by the designed production capacity for the same year.

For further details, see "Business — Production".

RAW MATERIALS AND SUPPLIERS

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

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

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

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

CUSTOMERS

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

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

For further details, see "Business — Customers".

COMPETITIVE LANDSCAPE

China's PV Silver Powder Industry

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

China's PV Silver Paste Industry

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

China's PV Cell Industry

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

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

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

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

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

For further details, see "Industry Overview".

OUR PROFITABILITY

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

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

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

Our Strategies and Plans as to Our Profitability

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

IMPACT OF SILVER PRICE ON OUR PERFORMANCE

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

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

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Consolidated Statements of Profit or Loss

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

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

NON-IFRS MEASURES

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

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

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

SUMMARY

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

	For the year ended 31 December			For the five months ended 31 May	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Profit for the year/period	59,890	79,082	168,523	19,125	55,713
Add back:					
Equity-settled share award expense[(1)]	2,038	2,447	2,447	1,019	1,019
[REDACTED][(2)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year/period (non-IFRS measure)	**61,928**	**86,784**	**182,959**	**24,268**	**58,102**

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

Notes:

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

(2) [REDACTED] represent expenses relating to this [REDACTED].

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

Selected Items from the Consolidated Statements of Financial Position

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

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

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

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

Selected Items from the Consolidated Statements of Cash Flows

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

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

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

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

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

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

Key Financial Ratios

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

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

Notes:

(1) Gross profit margin is calculated using gross profit for the year/period divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Current ratio is calculated using total current assets divided by total current liabilities.

(4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(5) Gearing ratio is calculated using debt (being trade and bills payables, payroll payable, accrued [REDACTED], deposit and other payables, and interest-bearing bank borrowings) divided by total assets.

RISK FACTORS

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

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

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholder

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

[REDACTED] Investments

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

[REDACTED] STATISTICS

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

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

Notes:

(1) All statistics in this table are presented based on the assumption that the [REDACTED] is not exercised.

(2) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in [REDACTED] and outstanding following the completion of the [REDACTED] (assuming [REDACTED] is not exercised).

(3) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in "Appendix II — Unaudited [REDACTED] Financial Information" to this Document and on the basis that a total of [REDACTED] Shares were in [REDACTED] assuming that the [REDACTED] have been completed on 31 May 2026 but takes no account of any Shares which may be [REDACTED] upon the exercise of (i) the [REDACTED], or (ii) any Shares which may be [REDACTED] or repurchased by the Company. The adjustments include (1) the estimated [REDACTED] from the [REDACTED] and (2) the conversion of the Company into a joint stock company with limited liability with 121,773,015 Shares. For more details, please see "Financial Information — Unaudited [REDACTED] Adjusted Consolidated Net Tangible Assets" and "Appendix II — Unaudited [REDACTED] Financial Information" to this Document.

[REDACTED]

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

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

[REDACTED]

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

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

LEGAL PROCEEDINGS AND COMPLIANCE

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

DIVIDEND POLICY

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

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

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Business Development

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

Recent Industry Development

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

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

Recent Regulatory Development

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

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

No Material Adverse Change

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

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"Accountants' Report"	the Accountant's report for the three years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, the text of which is set out in Appendix I to this Document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company, which shall become effective on the [REDACTED], and as amended from time to time, a summary of which is set out in the section headed "Summary of the Articles of Association" in Appendix V to this Document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"China" or "PRC"	the People's Republic of China and for the purposes of this Document only, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", or "our Company"	Jinan Janbon Metallic Materials Co., Ltd. (濟南建邦金屬材料股份有限公司), a limited liability company established in the PRC on 25 February 2025 and converted into a joint stock company with limited liability on 9 June 2026
"Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Chen. For further details, see "Relationship with our Controlling Shareholder"
"Conversion of [REDACTED] Shares into H Shares"	the conversion of [REDACTED] Shares into H Shares on a one-for-one basis upon completion of the [REDACTED]
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT"	the PRC enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
[REDACTED]	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company
"Frost & Sullivan Report"	the independent industry report prepared by Frost & Sullivan as commissioned by us
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Group", "our Group", "we", or "us"	the Company and its subsidiary(ies) from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiary, such subsidiary as if it was the subsidiary of our Company at the relevant time
"Guide"	the Guide for New Listing Applicants, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which will be [REDACTED] for and [REDACTED] in Hong Kong dollars and [REDACTED] on the Stock Exchange
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IFRS" or "IFRSs"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board

"independent third party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Janbon BVI"	Janbon High Tech (BVI) Limited, a company incorporated in the BVI with limited liability on 23 December 2024
"Janbon Cayman"	Janbon Materials Co., Ltd. (建邦材料有限公司) (formerly known as Janbon High Tech Co., Ltd. (建邦高科有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 12 December 2024
"Janbon Colloidal Materials"	Shandong Janbon Colloidal Materials Co., Ltd.* (山東建邦膠體材料有限公司), a limited liability company established under the laws of the PRC on 26 March 2010 and a wholly-owned subsidiary of our Company
"Janbon HK"	Janbon High Tech HK Limited, a company incorporated under the laws of Hong Kong on 21 January 2025
"Jinan Weilanwan Limited Partnership Agreement"	the limited partnership agreement dated 10 March 2023 and entered into between 32 employees of our Group
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Latest Practicable Date"	10 July 2026, being the latest practicable date for ascertaining certain information in this Document before its publication
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
[REDACTED]	[REDACTED]
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Chen"	Mr. Chen Zichun (陳子淳), an executive Director, the Chairman of our Board and our Controlling Shareholder
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEA"	the National Energy Administration of the PRC (中華人民共和國國家能源局)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Adviser"	DeHeng Law Offices, our legal adviser as to PRC laws

DEFINITIONS

"[REDACTED] Investments"	the [REDACTED] investments in our Company undertaken by the [REDACTED] Investors, details of which are set out in the section headed "History, Development and Corporate Structure" in this Document
"[REDACTED] Investors"	the [REDACTED] investors, namely Xinchen Huizhi, AV China Holdings PCC Limited, Emerald Investment Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited, details of which are set out in the section headed "History, Development and Corporate Structure" in this Document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Document"	this document being issued in connection with the [REDACTED]
"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reorganisation"	the reorganisation arrangement undertaken by our Group, which is described in details in the section headed "History, Development and Corporate Structure" in this Document
"Reporting Accountants"	Ernst & Young
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外滙管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Sole Sponsor" or "Sponsor"	China Securities (International) Corporate Finance Company Limited
[REDACTED]	[REDACTED]
"State Council"	State Council of the PRC (中華人民共和國國務院)

DEFINITIONS

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"United States" or the "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"[REDACTED] Share(s)"	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are not [REDACTED] or [REDACTED] on any stock exchange
"VAT"	value-added tax
"2023 Employee Shareholding Incentive Plan"	the employee shareholding incentive plan adopted by Janbon Colloidal Materials on 2 March 2023, which grants the equity interest of Janbon Colloidal Materials through Jinan Weilanwan Commercial Service, LP* (濟南蔚藍灣商務合夥企業(有限合夥)) to 32 employees of Janbon Colloidal Materials
"%"	percent

Unless otherwise specified or the context otherwise requires: (i) statements contained in this Document assume no exercise of the [REDACTED]; (ii) all times refer to Hong Kong time; (iii) references to years, months and days in this Document are to calendar years, calendar months and calendar days, respectively; and (iv) all data in this Document is as of the date of this Document.

In this Document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Unless otherwise specified, certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

DEFINITIONS

In this Document, "" denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organisations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this Document in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"ammonia solution (氨水)"	a solution of ammonia in water, often used in the synthesis process of silver powder to control particle size and morphology, as well as modify surface properties during production
"anhydrous ethanol (無水乙醇)"	ethanol that is free of water or has very low water content, often used as a solvent during the washing stages in the silver powder production process to remove impurities and ensure the quality of the final product
"burn-off loss (燃燒損失)"	the weight loss of silver powder or related materials during high-temperature processing, primarily due to the evaporation or decomposition of organic binders, dispersants, or residual processing agents
"centrifuge"	high-speed rotating equipment used to separate solid particles from liquids based on density differences, commonly employed in the production and refinement of silver powder to remove impurities and achieve desired particle size distribution
"conductivity"	the ability of silver powder or silver paste to conduct electricity; higher conductivity in silver powder or silver paste is critical for its effectiveness in PV cells, as it facilitates the efficient transfer of electrical charge
"consistency"	the uniformity of the physical properties of silver powder, such as particle size and morphology, which can affect the performance in downstream PV cell applications such as conversion efficiency and stability
"crystallinity (結晶度)"	the degree of structural order and arrangement of atoms in silver powder particles. In silver powder production, it represents the level of crystal structure in the silver particles, including monocrystalline and polycrystalline and ranging from high to low crystallinity. The level of crystallinity affects the sintering activity of the sliver powder
"dispersant (分散劑)"	a substance used in the production of silver powder by the liquid-phase reduction method to control the size and shape of the silver particles and prevent agglomeration
"dispersibility (分散性)"	the ability of silver powder particles to be evenly distributed in a liquid medium or paste. Good dispersibility is essential for the uniform application of silver powder in the manufacturing of PV silver paste and PV cells
"drying loss (乾燥損失)"	the percentage of moisture or volatile substances that evaporate from silver powder during the drying process
"fatty acid (油酸)"	an organic compound with a long hydrocarbon chain and a carboxyl group (–COOH), often used as an ancillary material to improve the dispersion and stability of silver particles in silver powder production

GLOSSARY OF TECHNICAL TERMS

"front-side fine grids (正面細柵)"	fine gridlines printed on the front surface of PERC cells and TOPCon cells using silver paste. These grids help collect the electrical output from the cell, with the quality of these grids directly affecting cell efficiency
"functional group bonding"	the chemical interaction between functional groups, such as hydroxyl, carboxyl, or amine groups, in dispersants, binders, or surface-modified silver particles, influencing the stability, dispersion, and adhesion properties of silver powder in various formulations
"GW"	gigawatt; a unit of power used to measure large-scale energy production
"HJT cells"	Heterojunction cells; a type of N-type PV cells that combines both monocrystalline silicon and amorphous silicon layers. These cells are known for their high efficiency
"hydrophilic (親水性)"	silver powder or materials that attract water molecules. Hydrophilic silver powder is used in specific PV silver paste applications requiring enhanced wetting properties
"kg"	kilogramme
"liquid-phase reduction method"	a process used to produce silver powder in which silver ions in a solution are reduced to metallic silver particles through the addition of a reducing agent, resulting in the formation of fine silver powder
"mono-dispersity (單分散性)"	the uniformity of the particle size and particle morphology in silver powder. High mono-dispersity indicates a high degree of uniformity and absence of variations in particle size and morphology
"monocrystalline (單晶)"	a type of crystal structure where a silver powder particle is made from a single crystal
"N-type cells"	a type of PV cells in which the base material is doped with electron-donating elements, providing higher efficiency and durability compared to P-type cells
"nano-electronic materials"	materials engineered at the nanometer scale (typically less than 100 nanometers), providing benefits such as improved conductivity, smaller form factors, and higher efficiency in PV cell applications
"nanocrystalline configurations"	particle configurations in silver powder that feature nanoscale crystal structures, offering enhanced conductivity and sintering properties for PV cells
"non-polar (非極性)"	a type of surface treatment for silver powder particles where they do not have an affinity for water
"oleophilic (親油性)"	describes silver powder that has an affinity for oils. This characteristic is essential for applications that require specific interactions with organic solvents or other non-polar substances
"particle morphology"	the shape of silver powder particles, which can range from spherical to more complex shapes such as flakes or rods. Particle morphology plays a significant role in the performance of PV cells

GLOSSARY OF TECHNICAL TERMS

"particle surface treatment"	modifications made to the surface of silver powder particles to alter their chemical or physical properties, improving their performance in applications such as PV cells
"PERC cells" or "P-type PERC cells"	Passivated Emitter and Rear Contact Cells; a type of PV cells designed with an additional passivation layer on the rear side, which enhances light absorption and reduces electron recombination, thereby improving overall efficiency
"permeability (透過性)"	the ability of silver paste to pass through a screen during the printing process, affecting the print quality, line resolution and consistency in the fabrication of PV cells or electronic components. High permeability contributes to better screen printing efficiency and finer feature definition
"pH value"	a measure of the acidity or alkalinity of a solution
"polar (極性)"	a property of silver powder particles that interacts with water molecules, often used for applications where these interactions are required
"polycrystalline (多晶)"	a type of crystal structure where a silver powder particle are made from multiple crystals, which affects its physical properties and application in different PV cell technologies
"polyvinyl pyrrolidone (聚乙烯吡咯烷酮)"	a polymer with the chemical formula $((C_6H_9NO)_n)$; a type of dispersants
"porous granular (多孔顆粒)"	a type of silver powder with a porous structure, providing unique properties such as enhanced sintering activity and better adhesion to substrates in PV applications
"printability"	the ability of silver paste to be easily applied through printing processes such as screen printing, essential for creating precise patterns on PV cells
"printed circuit boards"	thin boards made of insulating material, such as fibreglass, with conductive pathways etched or printed onto them to electrically connect and support various electronic components
"PV"	photovoltaic; the technology and method of converting sunlight directly into electricity using semiconductor materials
"PV cells"	individual units that convert sunlight into electrical energy through the photovoltaic effect, forming the fundamental building blocks of solar panels
"reducing agent"	a substance used in the production of silver powder by the liquid-phase reduction method that donates electrons to silver ions in solution, causing them to be chemically reduced to metallic silver particles
"R&D"	research and development
"screen printing"	a technique used to apply silver paste onto PV cells to create fine electrical contacts

GLOSSARY OF TECHNICAL TERMS

"semiconductor packaging"	the process of enclosing and protecting semiconductor devices, such as integrated circuits, to provide physical support, electrical connections, and heat dissipation, facilitating their integration into electronic systems
"silver nitrate"	an inorganic compound with the chemical formula $AgNO_3$, commonly used in various chemical reactions and industrial applications due to its solubility in water and its role as a precursor to other silver compounds
"silver paste"	a conductive paste made from silver powder, essential for forming electrical contacts in PV cells
"silver-coated copper powder"	a composite conductive material consisting of copper particles coated with a thin layer of silver, balancing conductivity and cost efficiency for applications in PV silver paste, conductive adhesives, and electronic components
"sintering activity (燒結活性)"	the ability of silver powder to bond and shrink during the heating process, which is crucial for its role in forming strong electrical contacts in PV cells
"sq. m."	square metre(s)
"substrate"	the base material onto which silver powder or silver-based conductive layers are applied, commonly including silicon wafers for PV cells, ceramic bases for multilayer ceramic capacitors, and polymer films for printed electronics
"tap density (振實密度)"	the bulk density of silver powder or other particulate materials measured after mechanically tapping or vibrating the sample, indicating packing efficiency and affecting flowability in conductive pastes and powder-based applications
"thermogravimetric analyser"	an instrument used to measure the weight changes of silver powder or related materials under controlled temperature conditions, providing data on thermal stability, burn-off loss, and organic residue content for quality control
"TOPCon cell LECO technology"	a specific advancement in TOPCon PV cells that focuses on enhancing Light and Elevated Temperature Induced Degradation (LeTID) resistance, thereby improving the long-term performance and efficiency of the PV cells
"TOPCon cells"	Tunnel Oxide Passivated Contact Cells; advanced PV cells that incorporate a thin tunnelling oxide layer and a passivated contact layer, enhancing efficiency by reducing electron recombination and improving conductivity
"ultrasonic reactor"	a processing equipment that uses high-frequency ultrasonic waves to disperse, homogenise, or modify silver powder particles, enhancing particle size uniformity and dispersion in conductive pastes and inks
"xBC cells"	a type of high-efficiency PV cell design where both the positive and negative electrical contacts are placed on the rear side of the cell, reducing shading on the front and improving overall energy conversion efficiency
"μm"	micrometre; a unit of length equal to one-millionth of a metre (10^{-6} m)

FORWARD-LOOKING STATEMENTS

Certain statements in this Document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection,", "forecast," "could," "vision," "goals," "objective," "target," "schedule," "predict," "project," "aim," "intend", "consider," "would," "continue" and "outlook") are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: general political, market and economic conditions; any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business; our planned projects and goals; our ability to control or reduce costs; our ability to control our risks; our ability to maintain good relationships with business partners; our business prospects and expansion plans; our ability to successfully implement our business plans and strategies; our financial condition and performance, debt levels and capital needs; our dividend policy; our capital expenditure plans; various business opportunities that we may pursue; the actions and developments of our competitors; changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and all other risks and uncertainties described in the section headed "Risk Factors" in this Document.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [REDACTED] against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this Document. Any such intentions may change in light of future developments.

All forward-looking statements in this Document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

In addition to other information in this Document, you should carefully consider the following risk factors before making an [REDACTED] in our [REDACTED]. Our business, financial condition, or results of operations could be materially and adversely affected by any of these risks. The [REDACTED] price of the [REDACTED] could decline due to any of these risks and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us or which we currently deem immaterial may arise or become material in the future and may have a material effect on us.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate on thin profit margins, which may render us more susceptible to economic and/or industry downturns.

Our primary business, namely sales of silver powder products, is generally a low profit margin business. For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our gross profit margin was 3.9%, 3.3%, 4.7%, 2.8%, and 2.0% and our net profit margin was 2.2%, 2.0%, 3.3%, 1.4%, and 1.4%, respectively. This is mainly because we price our silver powder products by adding a mark-up to the price of silver, which represents most of the total price of our silver powder products and the total cost of our raw materials. In the years ended 31 December 2023, 2024, and 2025 the five months ended 31 May 2025 and 2026, our cost of raw materials accounted for 99.3%, 99.4%, 99.5%, 99.4%, and 99.7% of our cost of sales, respectively, and our silver nitrate procurement costs accounted for 98.6%, 99.1%, 99.6%, 99.4%, and 99.6% of our procurement costs of raw materials, respectively. Operating with thin profit margins, together with other factors such as intense market competition, may render us more vulnerable to adverse macroeconomic or industry-specific developments. In such events, our profit margins will further decrease, which may materially and adversely affect our results of operations and financial condition.

The majority of our revenue was generated from a small number of customers during the Track Record Period. Any reduced sales to key customers, customers failing to fulfil their obligations as stipulated in contracts with them, or failure to obtain new customers may significantly reduce our revenue and profit and materially and adversely affect our results of operation.

A significant portion of our revenue was generated from a small number of customers in each year/period during the Track Record Period. The sales revenue from our largest customers 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 year/period. The sales 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 for the respective year/period. For more details about our five largest customers in each year/period during the Track Record Period, see "Business — Customers" in this Document.

We may be affected by risks arising from customer concentration. Due to the highly competitive nature of the PV industry, we risk losing these customers in various situations including, among others, our failure to deliver high-quality products or services that meet the expectations and needs of our customers, our failure to adapt to changing market trends or technological advancements, and the prices of our products being uncompetitive. Our sales to customers could be affected by a number of factors beyond our control, including their business and financial performance, which may fluctuate due to their liquidity and creditworthiness, market demand for their products, the financial health of their downstream industries, supply and competition in their target markets, and overall industry development. Broader macroeconomic conditions, such as inflation, interest rate changes, geopolitical uncertainties, and supply chain disruptions, could also impact their purchasing decisions. Any adverse developments affecting our key customers or affiliated companies, including changes in their procurement policies or financial difficulties, could reduce their demand for our products, which may in turn materially and adversely affect our revenue and profitability.

RISK FACTORS

We source most of our key raw materials from a small number of suppliers during the Track Record Period. Any failure to obtain the required key raw materials from our existing suppliers, or inability to obtain these raw materials through secondary sources or markets may disrupt our production and materially and adversely affect our results of operation.

During the Track Record Period, our procurement of raw materials was concentrated among a relatively small number of suppliers. Our raw materials mainly include silver nitrate ($AgNO_3$) and other supplemental materials such as dispersants and reducing agents. Dispersants include polyvinyl pyrrolidone ($(C_6H_9NO)_n$), while reducing agents include vitamin C ($C_6H_8O_6$), and hydrazine hydrate (N_2H_4). 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 purchases during the respective year/period. Purchases from 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 purchases during the respective year/period. If any of our major suppliers fail to adequately fulfil their obligations or experience disruptions in production due to, for example, bankruptcy, natural disasters, labour strikes or disruption of its supply chain, or decide to unilaterally terminate their contractual arrangements with us, we may experience a significant delay in the delivery of or fail to receive previously ordered raw materials including silver nitrate and/or other supplemental materials, which would materially and adversely affect our revenue and profitability and could jeopardise our ability to meet the demands of our customers.

If our supply of raw materials is disrupted or delayed, or if we need to replace our existing suppliers, there can be no assurance that additional raw materials will be available when required or on terms favourable to us. Additionally, we may not be able to procure raw materials at reasonable prices, which could negatively impact our business or necessitate entering into longer-term contracts. Seeking alternative sources of supply to address these issues may further increase our manufacturing costs. Any such disruptions could exacerbate other risk factors, raise costs, and reduce our gross margins, thereby materially harming our business, financial condition, results of operations, and prospects.

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.

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. In particular, during the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our cost of raw materials accounted for 99.3%, 99.4%, 99.5%, 99.4%, and 99.7% of our cost of sales, respectively, and our silver nitrate procurement costs accounted for 98.6%, 99.1%, 99.6%, 99.4%, and 99.6% of our procurement costs of raw materials, respectively. 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. For more information, see "Financial Information — Review of Historical Results of Operations" section in this Document.

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. For instance, according to Frost & Sullivan, the average price of silver in China increased from RMB4.9 thousand per kg to RMB8.6 thousand per kg between 2023 and 2025, with a CAGR of 32.5%, and it is projected to reach RMB13.0 thousand per kg in 2030, growing at a CAGR of 8.6% from 2025 to 2030. 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.

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

We are highly dependent on a single product category, namely silver powder, and our efforts to develop and diversify our product portfolio other than silver powder may not be successful.

During the Track Record Period, we derived almost all of our revenue from sales of silver powder products. In the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, revenue generated from the sales of silver powder accounted for 99.1%, 97.4%, 97.3%, 96.0%, and 98.8% of our total revenue, respectively. We expect that the production and sales of silver powder products will continue to contribute to the vast majority of our total revenue in the near term. Given our significant reliance on a single product category, market acceptance of our silver powder products is critical to our future success. Any adverse developments affecting the demand for or pricing of silver powder, including changes in industry trends, customer preferences, technological advancements, competition from alternative materials, or regulatory developments, could materially and adversely impact our business, financial condition, and results of operations.

Furthermore, our current business strategy includes efforts to explore product portfolio other than silver powder such as copper powder. However, there can be no assurance that any of these initiatives will succeed. If we fail to develop, launch, and market new products successfully, or if these products do not gain sufficient market traction, we may be unable to recoup our investments, which in turn could materially and adversely affect our business, financial condition, and results of operations.

The industry we operate in is characterised by rapid technological changes and advancements, which requires us to invest substantial resources in R&D, sustain technological innovation and keep up with the technological upgrades and iterations in a timely manner. Failure to do so could result in delays or failure to bring new and competitive products to the market, materially and adversely affecting our financial performance.

The silver powder manufacturing industry evolves rapidly and is subject to rapid technological changes and developments. For example, in recent years, leading PV cell market participants have gradually turned their attention from P-type cells to N-type cells, which led to a rapid increase in the production and market adoption of N-type cells. Our future success, in part, depends on our ability to continue to improve the quality and performance of our existing products and develop and introduce new products that integrate new technological advances. If we are unable to integrate prevalent technological advances into our product offerings or design, develop, manufacture and market new products successfully in a timely manner or at all, our operating results and prospects may be adversely affected. We may fail to bring new and competitive products to the market in a timely manner or at all. Any foregoing failure could threaten our market position and damage our reputation. In the event we are unable to manage or mitigate the risks associated with technological changes and advancements, our business operation, profitability and future growth may be adversely affected.

Short-term orders from customers and counterparty risks may materially and adversely affect our business.

During the Track Record Period, we have not entered into any long-term or exclusive agreements with customers and sales of our products with our customers were characterised by short-term orders placed by our customers from time to time. As such, we primarily rely on ongoing communications with our customers in order to predict the future volume of our purchase orders.

We cannot guarantee that our existing customers will continue to place orders with us, place orders of no less than the current volume of products, or not cancel any orders placed with us in the future. A variety of conditions, both specific to an individual customer and generally affecting the customer's industry, can cause a customer to reduce or delay orders previously anticipated by or already placed with us, which could adversely impact our business. Given the volatility of short-term orders, we may experience an adverse change in our revenue. If any of these customers terminates their contracts with us or significantly reduces the amount of purchases from us, we may not be able to find replacement customers in the near term, and our results of operations could be adversely affected.

We rely on the market demand for our silver powder products from the PV paste and PV cell industry. Any slowdown or decrease in downstream demand or technological developments resulting in substitute products may have a material and adverse impact on us.

Our silver powder products are primarily used in the production of PV silver paste for manufacturing PV cells. There is no guarantee that the demand for PV silver paste will remain at previous levels or continue to grow in the future. Therefore, any potential changes in the demand for PV silver paste may have a significant impact on our PV silver powder sales. Technological advancements and the development of alternative materials to PV silver powder used in PV cells could negatively impact the demand for our silver powder products. As global commodity prices fluctuate, alternative materials may become more cost-effective, potentially rendering our silver powder products less marketable or even obsolete. According to Frost & Sullivan, at present, the alternative solutions for PV silver powder primarily focus on silver-coated copper and electroplated copper technologies. Any of these events could have a material adverse effect on our businesses, financial condition and results of operations.

Decline in the PV cell prices in downstream PV industry may have a material and adverse effect on our business, financial condition, and results of operations.

Our silver powder products are primarily used in the production of PV silver paste for manufacturing PV cells. Revenue generated from our silver powder products accounted for 99.1%, 97.4%, 97.3%, 96.0%, and 98.8% of our total revenue in the years ended 31December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively. We rely on the market demand for our silver powder products from downstream PV industry. When there is a decline in the PV cell prices in downstream PV industry, the downstream PV cell manufactures may seek to maintain their profit margin by exerting downward pressure on our sale prices of silver powder products, delaying or reducing purchases for our silver powder products, or switching to competitors who offer technologically advanced products or alternatives with lower prices. Consequently, any potential decline in the PV cells prices in downstream PV industry, which is beyond our control, may have a significant impact on our PV silver powder sales, thereby adversely affecting our business, financial condition and results of operations.

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.

We are a PV silver powder manufacturer in China. We currently face and will continue to face, significant competition from other manufacturers of similar products. According to Frost & Sullivan, due to high technical barrier, there were nearly 30 PV silver powder manufacturers globally as of 31 December 2025. Our competitors may enjoy several competitive advantages over us, including, but not limited to, better brand recognition, more financial resources, longer operating history, stronger R&D capabilities, larger customer base and stronger relationships with suppliers.

We believe that our ability to compete effectively against other market participants depends upon many factors, some of which are beyond our control. These factors include: the quality, reliability, and technological advancement of our products compared to those of our competitors; our ability to identify and capture new market opportunities in advance of our competitors; our

reputation relative to our competitors; regulations or government policies in the industry where we operate; our ability to attract, retain, and motivate talented; and our ability to manage and grow our operations cost-effectively. We may be unable to compete successfully against these competitors or new market entrants, which may adversely affect our business and financial performance.

We may face an overcapacity of production in China's PV silver powder industry.

According to Frost & Sullivan, other market players in China have also been expanding their production capacity in recent years. If the expansion of production capacity across the industry outpaces the growth in demand from PV silver paste manufacturers and PV cell producers, the industry may experience overcapacity. According to Frost & Sullivan, as of 31 December 2025, the utilisation rate of PV silver powder production facilities in China was approximately 32.0%. This rate is calculated by dividing the total actual production volume of PV silver powder in the year by the total designed production capacity of PV silver powder in the year. The future demand for PV silver powder is influenced by numerous factors beyond our control, including the macroeconomic environment in China, government policies affecting the PV sector, technological advancements leading to reduced silver consumption in PV applications, and shifts in supply chain dynamics. If supply significantly exceeds demand, competition among silver powder producers may become more intense, leading to potential price reductions, margin compression, and increased pressure to secure and retain customers. Any prolonged overcapacity in the industry could materially and adversely affect our business, financial condition, and results of operations.

We may be exposed to the credit risk of our customers, and failure to collect our trade and bills receivables in a timely manner may have a material and adverse effect on our financial condition and results of operations.

Our business operations are subject to the risk of payment deferrals and/or defaults by our customers. As of 31 December 2023, 2024 and 2025 and 31 May 2026, our trade and bills receivables amounted to RMB94.1 million, RMB175.4 million, RMB44.6 million, and RMB79.8 million, respectively. Our trade and bills receivables turnover days were 6.2 days, 12.5 days, 7.9 days, and 2.3 days in 2023, 2024 and 2025 and the five months ended 31 May 2026, respectively. As our businesses continue to develop, our trade and bills receivables may continue to rise and would increase our credit risk exposure. Customers that experience financial difficulties or liquidity constraints may fail to settle their payables to us in whole or in part. Any significant delays in payment or default could reduce our cash inflow, increase our working capital needs, and materially and adversely affect our liquidity, financial condition and results of operations.

Our level of indebtedness may materially and adversely affect our ability to raise additional capital to fund our operations, expose us to interest rate risk to the extent of our variable rate debt, and prevent us from meeting our obligations under our indebtedness.

During the Track Record Period, we, to a certain extent, relied on bank borrowings to finance our capital expenditures and business operations. We expect that we may continue to do so in the future, and our liquidity risk may increase. As of 31 December 2023, 2024, 2025 and 31 May 2026, our interest-bearing bank borrowings amounted to RMB151.7 million, RMB206.3 million, RMB111.9 million and nil, respectively. As of the same dates, our gearing ratio was 61.6%, 63.4%, 59.6% and 47.8%, respectively.

The high level of bank borrowings and gearing ratio may (i) make it more difficult for us to satisfy our obligations under our indebtedness, exposing us to the risk of default, (ii) require us to allocate a higher portion of our cash flow from operations to fund repayments of principal and interest on our borrowings, thus reducing the availability of our cash flow for other purposes; (iii) increase our vulnerability to adverse economic or industry conditions; (iv) limit our flexibility in planning for, or reacting to, changes in our business or in the industry in which we operate; (v) limit our ability to borrow additional funds; and (vi) increase our exposure to unpredictable adverse events, such as not having enough cash to cover potential product liability and/or expenses for upgrading technologies or equipment requirement for our production.

The success of our business depends on our ability to attract, train, and retain highly skilled employees and key personnel.

We rely on the expertise and experience of our key personnel including, among others, key executives and R&D personnel in developing business strategies, product R&D, business operations and maintaining relationships with customers. If we lose the services of any of our key personnel, we may not be able to find a suitable replacement with comparable knowledge and experience, and our business, financial condition, results of operations and prospects may be materially and adversely affected. We may need to offer better remuneration and other benefits to attract and retain key personnel, and therefore, we cannot assure you that we will have the resources to fully achieve our staffing needs or that our costs and expenses will not increase significantly as a result of increased talent acquisition and retention cost. Our failure to attract and retain competent personnel and any increase in staffing costs to retain such personnel may have a negative impact on our ability to maintain our competitive position and grow our business. If this occurs, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not be able to implement other expansions as planned. Expanding our business may exceed the original budget and may not necessarily achieve the expected economic benefits or commercial feasibility.

Our revenue realised steady growth over the past several years, and we intend to maintain our competitive advantages by, among others, expanding our business in the PV silver powder industry as well as exploring new business opportunities in non-silver powder materials and non-PV silver powder applications. Such expansion plans and any other future expansion plans would require significant capital investments in new production facilities and the engagement of additional qualified personnel. The success of our business expansion plans depends on various factors, many of which are beyond our control. For example, our expansion plans are subject to conforming and obtaining various permits, approvals and filings in compliance with applicable laws and regulations, including those relating to land use, environmental protection, and industry-specific standards. Any failure or delay in securing the necessary authorisations may postpone or prevent the implementation of our expansion plans, increase our compliance costs, or expose us to administrative penalties. There can be no assurance that we will be successful in implementing our strategies or that our strategies, even if implemented, will lead to the successful achievement of our business objectives.

Furthermore, in addition to the [REDACTED] from the [REDACTED], we expect to continue to fund our expansion plan through banking facilities and/or our operating cash flows. Finance costs in relation to our banking facilities may increase in the future and adversely affect our profitability. Accordingly, we may not be able to achieve the expansion of our operations in a timely or cost-effective manner. For risk relating to our financing activities, please see "Risk Factors — Risk Relating to our Business and Industry — Our business is capital-intensive, and we may require additional financing to support our developments or adapt to changes in business conditions. However, there is a risk that we may not be able to obtain additional financing on favourable terms or at all." in this section.

If we fail to develop and maintain management, operational and administrative systems, resources and supporting infrastructure effectively and sufficiently to keep pace with our planned growth, we may experience difficulties in managing our growth and our business, financial condition and results of operations could be materially and adversely affected. In addition, as we expand our business scale and geographic footprint, we may encounter increasing strain on our existing personnel, logistics and internal administration systems. We may not have sufficient managerial or technical personnel with the experience required to oversee concurrent project execution, and any failure to scale our operational capabilities effectively may disrupt our current business and delay new developments.

In addition, we may seek to expand our business through business cooperation, strategic investments, and joint research and development exercises. The success of these endeavours depends on the availability of, and competition for, suitable targets and on our financial resources, including available cash and borrowing capacity, and the business performance and financial condition of the targets. Moreover, future investments, joint ventures, mergers and acquisitions, partnerships and cooperation may expose us to potential risks, including the diversion of management attention and resources from our existing business and the inability to generate sufficient revenue to offset the costs and expenses. These endeavours may also result in increased leverage, sharing of potential legal liabilities in respect of the target businesses, and incurrence of impairment charges related to goodwill and other intangible assets. As a result, we may not achieve the strategic objectives, management influence, or investment returns expected from such arrangements. If we are unable to implement our strategies effectively, our business, financial condition and results of operations may be materially and adversely affected.

Inefficient management of inventory risks or an increase in provisions for impairment of inventories may have a material and adverse effect on our financial condition and results of operations.

We had inventories of RMB73.0 million, RMB121.5 million, RMB126.5 million, and RMB228.6 million as of 31 December 2023, 2024, and 2025 and 31 May 2026, respectively. Our inventories mainly consist of finished goods, raw materials and consumables, goods in transit, and work in progress. As our markets are competitive and subject to rapid technological advances, we may not be able to accurately forecast market demand and maintain an appropriate level of inventory. Failing to do so could have a material and adverse effect on our business, financial condition, and results of operations. On the one hand, if we have insufficient inventory, we may be unable to meet customer demand and lose market share. On the other hand, excessive inventory of our products, raw materials, and auxiliary materials can expose us to higher inventory costs, risks of inventory obsolescence, and provisions for impairment. As of 31 December 2023, 2024, and 2025 and 31 May 2026, we recorded provision for impairment of inventories, being auxiliary raw materials for our silver powder production that aged more than one year, of RMB0.5 million, nil, nil, and nil, respectively. Failing to effectively manage our inventories can have a material and adverse impact on our financial condition and results of operations.

Developments in the PV industry may lead to a decline in the value of our inventories and result in provisions for impairment, which could materially and adversely affect our financial condition and results of operations.

The PV industry in which our customers operate is subject to cyclical fluctuations, overcapacity, pricing pressure, and rapid technological change. Any deterioration in the downstream PV market, such as weakened demand for PV silver paste or reduced production of PV cells, may materially and adversely affect the market demand or pricing for our silver powder products. Technological advancements in downstream applications may also render certain of our products or raw materials outdated or incompatible with evolving industry requirements. In such circumstances, our inventories may be exposed to higher risks of obsolescence or a decline in net realisable value. If the recoverable amount of our inventories falls below their carrying value, we may be required to make provisions for impairment. Material provisions for inventory impairment could materially and adversely impact our profitability, financial condition and results of operations.

Our international strategy and ability to conduct business in international markets are subject to uncertainties and risks.

We plan to leverage our extensive industry experience and success in China to gradually grow our business beyond China, tapping into new markets and driving our long-term growth. For details, see "Business — Our Strategies — Expand into the Middle East market and establish a research and development presence in East Asia." All our historical business operations are located in, and all of

our revenue are derived from China. We have no prior practical experience in operating or managing businesses outside China. Therefore, our international operations are subject to various risks and uncertainties including the following:

- compliance with foreign laws, regulatory requirements and local industry standards, with which we may not be familiar;
- competition from foreign players or failure to anticipate changes to the competitive landscape in the international markets due to a lack of familiarity with the local business environment;
- difficulty in managing relationships with foreign customers;
- political and economic instabilities, including changes in government policies or regulations affecting foreign investments, economic fluctuations and currency volatility, geopolitical tensions or conflicts impacting business operations, and potential social or civil unrest;
- global and regional health crisis;
- lack of familiarity with local operating and market conditions;
- difficulties and costs of staffing and managing foreign operations;
- cultural and language difficulties;
- exposure to increased litigation risks in the international markets, and
- foreign exchange rate exposure and risk of foreign exchange regulations.

Any of the foregoing factors could result in our failure to successfully expand our international business, which may in turn have a material and adverse impact on our business, operating results, and development strategy.

We may fail to protect our intellectual property rights or face infringement claims from third parties, either of which could undermine our competitive position and materially and adversely affect our business.

Intellectual property rights are important to our business. We rely on a combination of patent, trade secret, trademark laws and third-party non-disclosure agreements to protect our intellectual property rights and products. 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. We may not be able to prevent our intellectual property rights from being challenged, invalidated, circumvented or rendered unenforceable, and we may not be able to obtain meaningful protection or adequate remedies to enforce our rights. Third parties may bring suits alleging infringement of intellectual property rights or otherwise assert their rights or urge us to purchase licences from them. Enforcing our rights through litigation could be costly and time-consuming, divert management resources, require royalty payments, or restrict our use of critical technologies. We also could incur substantial costs to redesign our products or to defend any legal action taken against us. In addition, our existing and future patents may not be sufficient to protect our products or technologies used in our products or product designs or prevent others from developing competing products, technologies or designs. If any of the foregoing occurs, our business, results of operations and financial condition could be materially and adversely affected.

Any unexpected disruption at our production facilities could materially and adversely affect our business, financial condition and results of operations.

Our ability to meet the demands of our customers and grow our business relies on the efficient, proper and uninterrupted operation of our production plant. In the event of earthquake, fire, drought, flood or other natural disaster, environmental incidents, power outages, fuel shortages, mechanical breakdowns, extended outage of transportation systems or other events that limit or disrupt our ability to operate our production facilities, we may not be able to manufacture and deliver our products in a timely manner and may experience substantial losses, including loss of revenue from disrupted production. We may also need to incur substantial additional expenses to repair or replace any damaged facilities and recover production, which are not covered by our insurance coverage. Any of these events could have a material and adverse effect on our business, financial condition and results of operations.

Our business is capital-intensive, and we may require additional financing to support our developments or adapt to changes in business conditions. However, there is a risk that we may not be able to obtain additional financing on favourable terms or at all.

We operate in a capital-intensive industry that requires substantial capital and other short-term expenditures, including commitments for equipment and facilities, as well as working capital for daily operations, particularly for the procurement of silver nitrate, a precious metal raw material, to maintain adequate and secure inventory levels. We may require additional financing if we incur operating losses and/or incur additional capital expenditures for the development of our business. If our financing is insufficient to satisfy our working capital requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favourable to us or at all. Any failure to raise sufficient funds on terms favourable to us, or at all, could severely restrict our liquidity as well as have a material and adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing Shareholders.

Our operations depend on a stable, timely, and adequate supply of energy and utilities, including electricity and water, at commercially reasonable prices.

Our production and operations depend on a continuous and adequate supply of utilities, such as electricity and water, the use of which will further increase substantially as we expand our production capacity. Any disruption in the supply of electricity and water or other utilities at our production plants may disrupt our production. This may adversely affect our ability to fulfil our sales orders and consequently may have an adverse effect on our business, results of operations and financial condition. We may encounter shortages of utility supplies or utility suspensions in the future. If such shortages or suspensions of utilities happen for a significant period of time, our business, results of operations and financial results may be materially and adversely affected. Additionally, our production volume and production costs are affected by price and supply of energy. The prices of energy are subject to a number of factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for energy, power consumption policies and local and national regulatory requirements. Any disruption in the supply of energy or fluctuation in energy prices may have a material adverse effect on our business, financial condition and results of operations.

We are subject to environmental, health and safety laws and regulations and manufacturing standards and it may become more stringent and costly to comply with such regulations and standards.

Our business operations are subject to national and local laws and regulations of the PRC pertaining to the protection of the environment and health and safety requirements, including but not limited to the treatment and discharge of pollutants into the environment. For further details, please see the section headed "Regulatory Overview — Regulation Relating to Environmental

Protection" in this Document. The requirements imposed by the relevant environmental protection laws and regulations may be updated and more stringent laws or regulations could be adopted. As a result, we may be required to implement additional measures, upgrade our facilities or manufacturing processes, or incur increased capital expenditures and operating costs in order to satisfy evolving regulatory requirements. Such expenditures and operational adjustments could be significant and may adversely affect our production efficiency, results of operations, financial condition and prospects.

Any preferential income tax treatment and the government grants that we enjoy may be altered or terminated.

According to the applicable PRC tax regulations, the statutory corporate income tax rate in the PRC is 25%. Our operating subsidiary, Janbon Colloidal Materials, has been qualified as a High and New Technology Enterprise and have enjoyed a preferential income tax rate of 15% since 2015. Janbon Colloidal Materials may not able to enjoy or continue to enjoy the aforementioned preferential income tax treatment. For instance, under applicable PRC laws and regulations, the preferential income tax treatment for a "High and New Technology Enterprise" is subject to renewal every three years and can be revoked by the relevant local authorities upon a review process on the eligibility of such accreditation. If we fail to renew any preferential tax treatment qualification in time or at all, or if any change or termination of government grants or preferential tax treatment occurs, the decrease in other income or increase in our tax charge or any other related tax liabilities could materially and adversely affect our results of operations and financial condition.

In addition, during the Track Record Period, we received government grants from the PRC local government authorities to support our operation, for example, value-added tax additional deductions and incentives in support of our R&D activities. During the Track Record Period, our government grants amounted to RMB2.1 million, RMB10.8 million, RMB22.9 million, and RMB8.6 million, respectively. It is important to note that the future availability of government grants cannot be guaranteed. In the event that we are unable to secure such grants in the future, it could have an adverse impact on our operations and financial conditions.

We failed to make adequate contributions to social insurance and housing provident funds according to the requirements of the relevant PRC laws and regulations during the Track Record Period, which may subject us to penalties.

Under PRC laws and regulations, we are required to make contributions to social insurance and housing provident funds for our employees. Any failure to make timely and adequate social insurance and housing provident funds contribution for employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties, or apply to the people's court to enforce collection. During the Track Record Period, we did not fully contribute to social insurance and housing provident funds for certain employees based on their actual salary levels in accordance with the relevant PRC laws and regulations. For details of such non-compliance, including the potential penalties, please refer to "Business — Employees" in this Document. If the relevant authorities require us to make additional contributions or impose administrative measures in connection with such historical matters, we may incur additional costs, and our business, financial condition and results of operations could be materially and adversely affected.

We may not have adequate insurance coverage for losses and liabilities arising from various operational risks and hazards that we are subject to.

We maintain insurance policies that are required under the PRC laws and regulations and are based on the assessment of our operational needs. However, we currently do not maintain insurance policies covering physical damage to, or loss of, our equipment, office furniture or inventory. We do not maintain product liability and professional errors and omissions insurance covering product liability claims arising from the use, consumption or operation of our products and claims arising

from negligence in connection with our services to customers, which are not required by any applicable PRC laws or regulations. If we were to incur significant liabilities for which we are not fully insured, it may have an adverse effect on our results of operations. In light of the change of market conditions, premiums and deductibles for certain insurance policies may increase substantially and, in some instances, certain insurance policies may become unavailable at a reasonable cost or available only for certain risks. If for any reason we were no longer covered by our existing insurance policies, we may not be able to obtain replacement of insurance policies on acceptable terms or at all, which may have an adverse effect on our results of operations.

We may experience product return or exchange from time to time, which may materially and adversely affect our business, results of operations and financial position.

Generally, we allow product returns if there exist product defects for which we are responsible, and the relevant products in question are still within the warranty duration prescribed in sales contracts or production specifications. We may also accept product exchanges negotiated with our customers on a case-by-case basis under specific situations for commercial consideration despite the fact that there is no product defect. These 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). 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 2025 and 2026, the volume of our silver powder product exchanges 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 1.4% of the total sales volume of our silver powder products for the same periods, respectively. There is no assurance that we will not encounter material product returns or cancellation of orders due to product defects or other product exchanges negotiated with our customers on a case-by-case basis under specific situations for commercial consideration despite that there is no product defect. If that happens, our business, results of operations and financial position may be materially and adversely affected.

We are subject to certain risks relating to the delivery of our raw materials and products, including delays caused by suspension or interruption to the services of our third-party logistics providers and an increase in delivery costs.

During the Track Record Period, we sourced our raw materials from qualified suppliers in the PRC, who generally arrange for their delivery to our production facilities via vehicle transportation at their own expense. Similarly, we engage third-party logistics providers to deliver our products to customers, utilising vehicle transportation based on delivery distances.

Fleet transportation is subject to various risks, including accidents, property damage, fire, mechanical failures, adverse traffic conditions, and extreme weather events. If any of these incidents occur, we cannot assure that our raw materials will be delivered in a timely manner, which may delay our production schedules. Likewise, our ability to meet customer deadlines could be compromised, potentially leading to reputational damage, loss of customer confidence, and adverse financial impacts. As such, any disruptions in the transportation and delivery of our raw materials or products could materially and adversely affect our business operations, financial condition, and results of operations.

We recorded net operating cash outflows during the Track Record Period, and there can be no assurance that we will not have net operating cash outflows in the future. If we cannot improve our liquidity and capital resources, it may expose us to liquidity risk and our business, financial condition, and prospects may be materially and adversely affected.

For the years ended 31 December 2023 and 2024 and the five months ended 31 May 2026 we recorded net cash flows used in operating activities of RMB211.4 million, and RMB369.3 million, and RMB19.6 million, respectively, primarily attributable to our increased discounting of bills receivables to support our operations as our business scale grew. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Flows (Used in)/from Operating Activities."

We cannot guarantee that future business activities of our Group and/or other matters beyond our control, such as market competition and changes to the macroeconomic environment, will not materially and adversely affect our operating cash flows and continue leading to net operating cash outflows. If we are unable to maintain adequate working capital or obtain sufficient equity or debt financings to meet our capital needs, we may be unable to continue our operations according to our plans, and our business, financial position, and results of operations may be materially and adversely affected.

Any of our share incentive schemes, including share award plans, may have a significant impact on our future operation and dilute the ownership interests of our Shareholders.

We may implement various forms of share-based incentive schemes as part of our long-term strategy to attract, retain, and motivate key personnel and employees. For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, we recorded equity-settled share award expense of RMB2.0 million, RMB2.4 million, RMB2.4 million, RMB1.0 million, and RMB1.0 million, respectively, in connection with the 2023 Employee Shareholding Incentive Plan we adopted in March 2023. However, there is no assurance that such incentive schemes will not have an adverse impact on our operations or shareholders' rights. The recognition of equity-settled share award expense will reduce our net profit, while any additional issuance of Shares under such plans will dilute the ownership interests of our Shareholders. Conversely, if we limit or reduce the scale of our share-based compensation, we may face challenges in attracting and retaining key personnel.

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.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to enquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgement, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may have a material adverse effect on our reputation and our financial condition, results of operations and prospects.

Negative publicity or damage to our reputation may materially and adversely affect our business and results of operations.

We value and rely on our reputation to maintain and grow our business operations. Negative publicity associated with our operations could cause loss of business, divert management attention and other resources and incur litigation costs. We conduct business with a number of counterparties, including customers and suppliers. If any of such counterparties, or any of our former employees, are dissatisfied with us, whether or not justified, and raise any complaints or allegations relating to

our operations and/or our Directors, senior management or employees, our business may be adversely affected. Any negative publicity on any form of media following such complaints or allegations, regardless of whether the court has ruled in our favour or otherwise, may also damage our reputation and impact customers' perceptions of our brand, which may, in turn, materially and adversely affect our business and results of operations.

We may need to devote additional efforts and resources to obtain and maintain the requisite approvals and licenses required in the jurisdictions that we operate or plan to operate.

We are subject to certain laws and regulations that require us to obtain and maintain various approvals, licences, permits and certificates from different authorities to operate our business. Please see the section headed "Business — Licences and Permits" in this Document. We may face sanctions or other enforcement actions if we fail to obtain approvals, licences, permits or certificates as might be necessary for our operations. We could be ordered by the relevant regulatory authorities to cease operation or may be required to undertake corrective measures requiring capital expenditure or other remedial actions, which could materially and adversely affect our business, financial condition and results of operations.

Changes in the fair value of financial assets at fair value through profit or loss may affect our results of operations.

Fluctuations in the fair value of our financial assets at fair value through profit or loss, which consist of bills receivables, may impact our financial results. As of 31 December 2023, 2024, and 2025 and 31 May 2026, we had bills receivables of RMB81.7 million, RMB175.4 million, RMB44.6 million, and RMB79.8 million, respectively. Changes in the fair value of bills receivables are reflected in our consolidated statement of profit or loss. See note 19 to "Appendix I — Accountants' Report" and "Financial Information — Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Receivables" for details. The methodology that we use to assess the fair value of bills receivables involves a significant degree of management judgement and is inherently uncertain. Any changes in assumptions, market conditions or other factors may result in fair value losses. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

We may incur impairment loss on long-lived assets in the future. Significant impairment of our long-lived assets could materially impact our financial position and the results of our operations.

We evaluate our long-lived assets — including property, plant and equipment, right-of-use assets, and intangible assets — whenever events or changes in circumstances suggest that the carrying amount of an asset may not be recoverable. If such an indication arises, we estimate the recoverable amount of the cash-generating unit to which the asset belongs to determine the extent of any impairment loss, if applicable. The recoverable amount is estimated based on future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the cash-generating unit is less than the carrying amount, we recognise an impairment loss in profit or loss by reducing the carrying amount of the cash-generating unit to its recoverable amount. Any significant impairment losses charged against our long-lived assets could materially adversely affect our results of operations.

Any labour shortages, increased labour costs, or other factors affecting labour supply for our production could materially and adversely affect our business, financial condition, results of operations and prospects.

Any labour shortage, suspension or slowdown at our production facilities may significantly disrupt our business operations or delay our expansion plan. We may have difficulties in hiring or retaining sufficient and qualified employees. In addition, if our employees were to engage in a strike

or other work stoppage, we could experience a significant disruption of our operations and/or higher ongoing labour costs, which may have an adverse effect on our business, results of operations and reputation.

Natural disasters, epidemics, acts of war or terrorism, or other factors beyond our control in the future could materially and adversely affect our business, financial condition, and results of operations.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions in which we conduct our business. These regions may be under the threat of typhoons, tornados, snowstorms, earthquakes, floods, droughts, power shortages or failures, or are susceptible to epidemics, such as avian influenza, H1N1 influenza, H5N1 influenza, H7N9 influenza, Middle East respiratory syndrome, potential wars or terrorist attacks, riots, disturbances or strikes. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt our business and operations. Severe communicable disease outbreaks could result in a widespread health crisis that could materially and adversely affect business activities in the affected regions, which could materially and adversely affect our operations. Any of these factors and other factors beyond our control could have an adverse effect on the overall business environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely affect our business, financial condition and results of operations.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and non-compliance with such laws could materially and adversely affect our business, results of operations, financial condition, and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations. In addition, our internal policies and procedures seeking to address such non-compliances may not be sufficient, and our Directors, officers, employees, representatives, consultants, agents and business partners could engage in improper conduct for which we may be held responsible. Non-compliance with anti-corruption, anti-bribery, anti-money laundering and similar laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRY WHERE WE OPERATE

Changes in China's or global economic, political or social conditions or government policies in the countries and regions where we operate could have an adverse effect on our business and operations.

All of our operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced by political, economic and social conditions in China generally and by continued economic growth in China as a whole. Over the past three decades, the Chinese government has implemented economic reforms and industrial policies, and has made efforts to fully leverage market forces to foster economic development. While the Chinese economy has experienced significant growth over the past decades, there can be no assurance that the growth would be maintained or equitable across sectors. The Chinese government has implemented various measures to encourage economic growth. Some of these measures may benefit the overall Chinese economy but may not have the same effect on us.

In addition, although all of our operations are based in China, we may still be adversely affected by global economic, political, and social conditions. For example, health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases, instability in the financial system, and the tightening of monetary policy by the U.S. Federal Reserve impose new challenges and uncertainties on the global economy. Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures may have a significant

impact on the targeted countries, markets and/or entities. Chinese companies may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these complicated regulations and measures and could face penalties for any violation, even if inadvertent.

We are a mainland China enterprise and are subject to mainland China tax on our global income and any [REDACTED] on the [REDACTED] of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realised on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a mainland China withholding tax at a rate of 20% and gains from mainland China sources realised by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated 28 June 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, in which the non-mainland China resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF of mainland China and the SAT on 30 March 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on 31 December 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70). As of 31 December 2025, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on [REDACTED] realised from the [REDACTED] of our H Shares or on dividends paid to our non-mainland China resident [REDACTED], the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

We face foreign exchange risk, fluctuations in exchange rates, and the PRC government's administration over foreign currency exchange and requirements for governmental approval, which could have a material and adverse effect on our business, our results of operations, and our financial position.

The Renminbi has fluctuated against Hong Kong dollars and the U.S. dollars at times significantly and unpredictably. The fluctuation of Renminbi against Hong Kong dollars, U.S. dollar and other currencies is affected by, among other things, changes in global political and the PRC government's currency policies. It is difficult to predict how market forces may impact Renminbi and foreign currencies going forward. During Track Record Period, even though all of our revenue and expenses were denominated in Renminbi, fluctuation in exchange rates may nevertheless in the future adversely affect the value of our net costs and earnings. In particular, the [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Any unfavourable movement in the exchange rate of the Renminbi against Hong Kong dollar may adversely affect the value of our [REDACTED] from the [REDACTED]. Pursuant to existing foreign exchange regulations in the PRC, we are allowed to carry out current account foreign exchange transactions in the PRC (including dividend payouts) without submitting the certifying documents of such transactions to SAFE for approval in advance as long as they are processed by banks designated for foreign exchange trading. However, foreign exchange transactions for capital account purposes, including direct overseas investment and various international loan, may require and prior approval or registration with SAFE.

You may experience difficulties in effecting service of process or enforcing foreign judgements against us, our Directors or senior management residing in the PRC.

We are a company incorporated under the laws of the PRC and all of our assets are located in China, and all of our Executive Directors and senior management reside in China. Therefore, it may not be possible to effect service of process within Hong Kong or elsewhere outside of China upon us or our Directors or senior management. Moreover, China has not entered into treaties for the reciprocal recognition and enforcement of court judgements with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgement obtained in other jurisdictions may be difficult or impossible.

On 18 January 2019, the Supreme People's Court of the PRC and the Department of Justice of Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "2019 Arrangement"), which has come into effect on 29 January 2024. This 2019 Arrangement seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the mainland. The 2019 Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the 2019 Arrangement became effective, a judgement rendered by a Hong Kong court can generally be recognised and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgements made by Hong Kong courts will be recognised and enforced in the PRC, as whether a specific judgement will be recognised and enforced is still subject to a case-by-case examination made by the relevant court in accordance with the 2019 Arrangement.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas [REDACTED] issued by PRC government authorities.

On 17 February 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), which became effective on 31 March 2023 (the "Overseas Listing Regulations"). The Overseas Listing Regulations are applicable to overseas [REDACTED] conducted by [REDACTED] who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See "Regulatory Overview — Regulations Relating to Offshore Listing" for further details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future and may significantly limit or completely hinder our future financing activities.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and the [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] for our H Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our H Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

Purchasers of our H Shares in the [REDACTED] will experience immediate dilution and may experience further dilution if we issue additional H Shares in the future.

If the final [REDACTED] is higher than the net tangible asset value per H Share purchasers of our H Shares in the [REDACTED] will experience an immediate dilution in terms of the [REDACTED] consolidated net tangible asset value. In addition, we may consider [REDACTED] and [REDACTED] additional H Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. Purchasers of our H Shares may experience further dilution in terms of the net tangible asset value per H Share if we [REDACTED] additional H Shares in the future at a [REDACTED] that is lower than the net tangible asset value per H Share.

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED] purchasing our H Shares under the [REDACTED].

The [REDACTED] of our H Shares may be volatile. The [REDACTED] of our H Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control: actual or anticipated variations of our operating results; loss of key customers or raw material suppliers; changes in securities analysts' estimates or market perception of our financial performance; announcement by us of significant acquisitions, depositions, strategic alliances or joint ventures; addition or departure of key senior management or other key personnel; fluctuations in [REDACTED]; regulatory or legal developments, including involvement in litigation; and general economic, political and stock market conditions in Hong Kong, the PRC and elsewhere in the world. In addition, [REDACTED] of other companies [REDACTED] on the Stock Exchange with significant operations and assets in the PRC have experienced increasing price and volume fluctuations in recent years, some of which have been unrelated or disproportionate to the operating performance of such companies. Such market fluctuations may materially and adversely affect the [REDACTED] of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], the [REDACTED] of new shares or other securities, or the perception that such sales or [REDACTED] may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [REDACTED], could also materially and adversely affect our ability to raise capital at a specific time and on terms favourable to us. In addition, our Shareholders may experience dilution in their holdings if we [REDACTED] more securities in the future. New shares or shares-linked securities [REDACTED] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our Controlling Shareholder has substantial influence over the Company, and our Controlling shareholder's interests may not always be aligned with the interests of our other Shareholders.

Immediately following the completion of the [REDACTED], Mr. Chen will directly or indirectly hold in aggregate [REDACTED]% of our Shares (assuming that the [REDACTED] is not exercised), and will be our Controlling Shareholder within the meaning of the Listing Rules. The interests of our Controlling Shareholder may differ from the interests of our other Shareholders.

Our Controlling Shareholder may have conflicts of interest with our other shareholders and us. Accordingly, our Controlling Shareholder may take actions that favour their own interests but which are not in the best interests of our other shareholders and which would adversely affect the interests of our other shareholders. As our Controlling Shareholder and subject to our Articles and applicable laws and regulations, Mr. Chen will have significant influence over our business and affairs, including decisions in respect of mergers, consolidations, other business combinations, acquisition or disposition of assets, issuance of additional Shares, timing and amount of dividend payments, election of Directors and senior management and approval of our annual budget. This concentration of ownership may discourage, delay or prevent changes in control that would otherwise benefit our other Shareholder. To the extent that the interests of our Controlling Shareholder conflict with those of our other Shareholders, our other Shareholders may be deprived of opportunities to advance or protect their interests.

We may not pay any dividends in the future.

As a general matter, we cannot guarantee future dividend payments. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income. Our Board has complete discretion as to whether to distribute dividends, subject to certain requirements of PRC law. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board, and subject to the approval at a Shareholders' meeting. Additionally, past dividends declared should not be used as an indicator for future dividends.

We have no experience operating as a [REDACTED], and we may incur increased costs as a result of becoming a [REDACTED].

We have no experience conducting our operations as a [REDACTED]. As a result of the [REDACTED] on the Hong Kong Stock Exchange, we may face enhanced administrative and compliance requirements, which may make us incur substantial related costs and expenses that we did not incur as a private company. We expect rules and regulations applicable to [REDACTED] to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management may be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We will evaluate and monitor developments with respect to these rules and regulations, but we cannot

predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a [REDACTED] may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] for our H Shares and [REDACTED] could decline.

The [REDACTED] for our H Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade our H Shares or publish inaccurate or unfavourable research about our business, the [REDACTED] for our H Shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the [REDACTED] for our H Shares to decline.

Certain facts, forecasts, and statistics contained in this Document may not be accurate, reliable, complete, or up to date.

Certain facts, forecasts, and statistics contained in this document relating to the PRC, the PRC economy, and the industry in which we operate have been derived from official government sources that are publicly available. We believe that the sources of the information from official government sources are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED] or any of their respective directors, advisers or affiliates. Accordingly, no representation is given as to the accuracy or completeness of such information. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This Document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would," and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. [REDACTED] should not place undue reliance on such forward-looking statements and information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules requires that a [REDACTED] applying for a [REDACTED] on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Our Group's business and operations has been and will continue to be based, managed and conducted in the PRC.

All of our executive Directors and senior management members are and will continue to be ordinarily based in the PRC. Our Company does not and, in the foreseeable future, will not have sufficient management presence in Hong Kong, for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Our Company considers that it would be more effective and efficient for our executive Directors to be based in the PRC since our Company's executive Directors and all of the members of our senior management have vital roles to play in our Group's core operations outside of Hong Kong, so our Company considers that it is important for them to stay close to our Company's core operations in the PRC.

In addition, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong by means of relocation of existing executive Directors for the sole purpose of satisfying the requirements of Rule 8.12 of the Listing Rules. Moreover, such relocation may not be approved in time for the proposed [REDACTED] of our Company.

Our Company considers that the appointment of additional executive Directors who are ordinarily resident in Hong Kong for the sole purpose of satisfying the requirements of Rule 8.12 of the Listing Rules would not only add administrative costs for our Company, but would also have an impact on the effectiveness of our Board when making decisions for our Group, in particular when such decisions are required to be made within a short period of time. Our Company believes that the addition of executive Directors who are not familiar with the business and operations of our Group or physically close to the operations and members of the senior management of our Company would not be in the interests of our Shareholders as a whole. It is because these additional executive Directors would not (i) have full understanding of the day-to-day operations and management of the business of our Group, (ii) have effective working relationships with the members of the senior management team who reside in the PRC, and (iii) fully appreciate the issues or circumstances affecting or the challenges faced by our Group, which are all essential for such executive Directors to make appropriate business decisions for our Company that are most beneficial to the operations and development of our Group.

Accordingly, an application has been made to the Stock Exchange for a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rule 8.12 of the Listing Rules and such waiver [has been granted] by the Stock Exchange. The arrangements proposed by our Company for maintaining at all times regular, adequate and effective communication with the Stock Exchange for the purpose of Rule 8.12 of the Listing Rules are as follows:

(a) our Company has appointed two authorised representatives (the "Authorised Representatives") pursuant to Rule 3.05 of the Listing Rules, namely Mr. Chen, the Chairman of our Board and executive Director, and Ms. Wong Wing Yee (黃詠儀女士) ("**Ms. Wong**"), a joint company secretary of our Company, and will act as our Company's principal channel of communication with the Stock Exchange and will ensure that our Group complies with the Listing Rules at all times. Each of the Authorised

Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of the Authorised Representatives is authorised to communicate on behalf of our Company with the Stock Exchange;

(b) our Company shall promptly inform the Stock Exchange if there is any change to the Authorised Representatives;

(c) each of the Authorised Representatives has means to contact all members of our Board (including independent non-executive Directors) or the senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them for any matters. To enhance the communication between the Stock Exchange, the Authorised Representatives and our Directors, our Company has implemented a number of policies whereby (i) each Director has provided his/her office telephone number (if applicable), home telephone number (if applicable), mobile telephone number, fax number (if applicable), email address (if applicable) and residential or correspondence address to the Authorised Representatives; (ii) in the event that any Director expects to travel and be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorised Representatives; and (iii) each Director and Authorised Representative of our Company has provided his/her office telephone number (if applicable), home telephone number (if applicable), mobile telephone number, fax number (if applicable), email address (if applicable) and residential or correspondence address to the Stock Exchange;

(d) if circumstances require, meeting of our Board can be convened and held in such manner as permitted under the Articles at short notice to discuss and address any issue with which the Stock Exchange is concerned in a timely manner;

(e) each of our Directors has confirmed that he/she possesses or can apply for valid travelling documents to visit Hong Kong to meet with the Stock Exchange upon reasonable short notice, when required;

(f) our Company has appointed Zhongtai International Capital Limited as compliance adviser pursuant to Rule 3A.19 of the Listing Rules to provide our Company with professional advice on continuing obligations under the Listing Rules, who will also act at all times, in addition to the Authorised Representatives, as the principal channel of communication between our Company and the Stock Exchange, from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its first full financial year immediately after the [REDACTED];

(g) after the [REDACTED], our Company will engage a Hong Kong legal adviser to (i) inform our Company on a timely manner of any amendment or supplement to the Listing Rules and any new or amended laws, regulations or codes in Hong Kong applicable to our Company, (ii) provide advice to our Company on the continuing requirements under the Listing Rules and applicable Hong Kong laws and regulations, and (iii) provide advice on the application of the Listing Rules and any other applicable Hong Kong laws and regulations relating to securities after the [REDACTED];

(h) our Company will have at least two independent non-executive Director who is ordinarily resident in Hong Kong. Our Directors who are not ordinarily resident in Hong Kong will be readily contactable through the independent non-executive Director who is ordinarily resident in Hong Kong by telephone, facsimile or email; and

(i) our Company has appointed Ms. Meng Haiqing (孟海清女士) ("**Ms. Meng**") and Ms. Wong as joint company secretaries (the "**Joint Company Secretaries**"). The Joint Company Secretaries will, among other things, act as our Company's additional channel of communication with the Stock Exchange and be able to answer any

enquiries from the Stock Exchange. The Joint Company Secretaries will maintain constant contact with our Directors and senior management team members through various means, including regular meetings and telephone discussions whenever necessary.

JOINT COMPANY SECRETARIES

According to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide, the secretary of an issuer must be a person who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Chartered Governance Institute, a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) or a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong); or (ii) an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

According to Chapter 3.10 of the Guide, a waiver under Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time, but in any case will not exceed three years from the [REDACTED] (the "Waiver Period") and on the conditions that (i) the company secretary in question must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Ms. Meng and Ms. Wong as our joint company secretaries. Ms. Meng joined our Group as chief financial officer of Janbon Colloidal Materials in March 2023 and has been appointed as the secretary of the board of Janbon Colloidal Materials since November 2024, where she has been primarily responsible for financial management of our Group. Our Directors are of the view that, having regard to Ms. Meng's thorough understanding of the overall business operations and corporate governance matters of our Group, she is considered as a suitable person to act as a company secretary of our Company. In addition, as our headquarters and principal business operations are based and conducted in the PRC, our Directors believe that it is necessary to appoint Ms. Meng as a company secretary whose presence in the headquarters of our Group enables her to attend to the day-to-day corporate secretarial matters of our Group and to take the necessary actions in an effective and efficient manner.

However, given that Ms. Meng does not possess a qualification stipulated in Note 1 to Rule 3.28 of the Listing Rules nor the "relevant experience" set out in Note 2 to Rule 3.28 of the Listing Rules, she is not able to solely fulfil the requirements as a company secretary of a [REDACTED] stipulated under Rules 3.28 and 8.17 of the Listing Rules. In order to provide support to Ms. Meng, we have appointed Ms. Wong, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to closely work with and provide support to Ms. Meng during the Waiver Period so as to enable Ms. Meng to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge her duties as a company secretary of a [REDACTED].

Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Meng as our joint company secretary on the condition that Ms. Meng will be assisted by Ms. Wong as our joint company secretary throughout the Waiver Period. Being a manager of corporate services of Vistra Corporate Services (HK) Limited and by virtue of her qualifications and experience in corporate secretarial practice and administration management, Ms. Wong is, in our Directors' opinion, a qualified and suitable person to render assistance to Ms. Meng so as to enable her to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge her duties. In addition, Ms. Meng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will

enhance her knowledge of the Listing Rules during the Waiver Period. Our Company will further ensure that Ms. Meng has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an [REDACTED] on the Stock Exchange. Also, Ms. Meng will be assisted by (i) the compliance adviser of our Company for the period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal adviser of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. Prior to the end of the Waiver Period, our Company must demonstrate and seek the Stock Exchange's confirmation that Ms. Meng, having had the benefits from Ms. Wong's assistance during the Waiver Period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the function of a company secretary, so that a waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this Document.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Chen Zichun (陳子淳先生)	Room 602, Unit 3 No.84 Xibaliwa Shizhong District Jinan, Shandong Province PRC	Chinese
Mr. Zhou Yong (周勇先生)	No.15, Jingshi Road Lixia District Jinan, Shandong Province PRC	Chinese
Ms. Meng Haiqing (孟海清女士)	No.502, Unit 2, Building 30 Changsheng Xiaoqu North Part Lixia District Jinan, Shandong Province PRC	Chinese
Non-executive Director		
Mr. Zhang Wei (張偉先生)	8-3-1701, Tiantai Sunshine Tree No. 1 Shunde Road Jinan, Shandong Province PRC	Chinese
Independent Non-executive Directors		
Dr. Cui Haitao (崔海濤博士)	No.501, Unit 1, Building 17 Ruijinyuan Zhangjiawo Town Xiqing District, Tianjin City PRC	Chinese
Ms. Xu Qian (徐茜女士)	Flat A, 19/F, Tower 8 The Palazzo, 28 Lok King Street Shatin, New Territories Hong Kong	Chinese
Mr. Chan Ngai Fan (陳毅奮先生)	1/F No. 8 Ho Tung Road Kowloon Tong, Kowloon Hong Kong	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place, Central Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
	[REDACTED]
	[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]	[REDACTED]
	[REDACTED]
	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

[REDACTED]

Legal Advisers to the Company

As to Hong Kong law:
Li & Partners
22/F, World-Wide House
19 Des Voeux Road Central
Hong Kong

As to PRC law:
DeHeng Law Offices
22–23/F, Sinar Mas Plaza
501 East Daming Road
Hongkou District, Shanghai
PRC

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP
26/F, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

Legal Advisers to the Sole Sponsor and the [REDACTED]

As to Hong Kong law:
Jun He Law Offices
7/F, AlA Central
1 Connaught Road, Central
Hong Kong

As to PRC law:
Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District, Beijing
PRC

Auditor and Reporting Accountants

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	Room 208, 2/F, No. 1 Factory Building 101 Jinan Jiantong Logistics Co., Ltd. No. 1009 Dexing Road, Sangzi Street Subdistrict Tianqiao District Jinan, Shandong Province PRC
Head Office and Principal Place of Business in the PRC	No.1009, Dexing Road Tianqiao District Jinan, Shandong Province PRC
Principal Place of Business in Hong Kong registered under Part 16 of the Companies Ordinance	Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.sdjbsp.com** *(The information contained on the website does not form part of this Document)*
Joint Company Secretaries	**Ms. Meng Haiqing** No.502, Unit 2, Building 30 Changsheng Xiaoqu North Part Lixia District Jinan, Shandong Province PRC **Ms. Wong Wing Yee** Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorised Representatives (for the purpose of the Listing Rules)	**Mr. Chen Zichun** Room 602, Unit 3 No.84 Xibaliwa Shizhong District Jinan, Shandong Province PRC **Ms. Wong Wing Yee** Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. Chan Ngai Fan *(Chairman)* Dr. Cui Haitao Ms. Xu Qian

CORPORATE INFORMATION

Nomination Committee	Mr. Chen Zichun *(Chairman)* Dr. Cui Haitao Ms. Xu Qian
Remuneration Committee	Ms. Xu Qian *(Chairlady)* Dr. Cui Haitao Ms. Meng Haiqing
Compliance Adviser	**Zhongtai International Capital Limited** 19/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
[REDACTED]	[REDACTED]
Principal Banks	**China Citic Bank Corporation Limited** **Jinan Huaiyin Sub-branch** 1–101, Mount Taishan International Building No.843, Jingqi Road Huaiyin District Jinan, Shandong Province PRC **China Merchants Bank Co., Ltd. Jinan Branch** Building 1, Zone 4, Hanyu Financial Business Centre No. 7000, Jingshi Road Jinan High-tech Zone Jinan, Shandong Province PRC **China Everbright Bank Co., Ltd. Jinan Branch** No.85 Jingqi Road Shizhong District Jinan, Shandong Province PRC

The information and statistics set out in this section and other sections of this document were extracted from a report prepared by Frost & Sullivan, or the F&S Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the F&S Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED] any of our and their respective directors, supervisors, officers, representatives, employees, advisers or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

GLOBAL AND CHINA'S PV SILVER POWDER INDUSTRY

Definition and Overview of Silver Powder

Silver powder is a common metal powder with good electrical and thermal conductivity. The production methods of silver powder primarily include liquid-phase reduction, electrolysis and vapour deposition, among which the liquid-phase reduction method is the most commonly used method, which reduces silver ions into silver atoms through chemical reactions, and then aggregates them into powder.

Silver powder has extensive downstream applications including PV industry, electronics industry, chemical industry, medicine industry, among others. In PV industry, silver powder is used to manufacture PV silver paste, which is a crucial raw material of PV cells. In electronics industry, silver powder is used to manufacture conductive lines, conductive adhesives, among others. In chemical industry, silver powder is used to manufacture antistatic agents, coatings, among others. In medicine industry, silver powder is used to manufacture drug carriers. In addition, depending on different structures, silver powder can be mainly divided into spherical silver powder, flake-shaped silver powder, rod-shaped silver powder, among others.

The non-PV silver powder market in China is relatively fragmented. As of 31 December 2025, there were approximately 400 non-PV silver powder manufacturers in China. The production of non-PV silver powder requires high technical expertise in production technologies and mature production processes, with relatively high technical barrier and talent barrier. However, the sufficient industry experience of PV silver powder manufacturers can be applied to the production of non-PV silver powder, which enables PV silver powder manufacturers to expand into non-PV silver powder sector. Moreover, non-PV silver powder products have a wide range of applications such as electronics industry, which generally has higher gross profit margins.

Along with the continuous technological advancements, the non-silver powder for PV cells is expected to have broad development opportunities. Current silver alternatives in the PV field are mostly used in the production of low-temperature silver pastes, which accounted for less than 3% of the conductive materials of China's PV silver paste industry in 2025. The development of non-silver powder for PV cells raises high expertise requirements for technological innovations in material, process and equipment. Leading PV silver powder manufacturers have been dedicated to exploring new technologies in non-silver powder for PV cells to gain first-mover advantages and consolidate market positions.

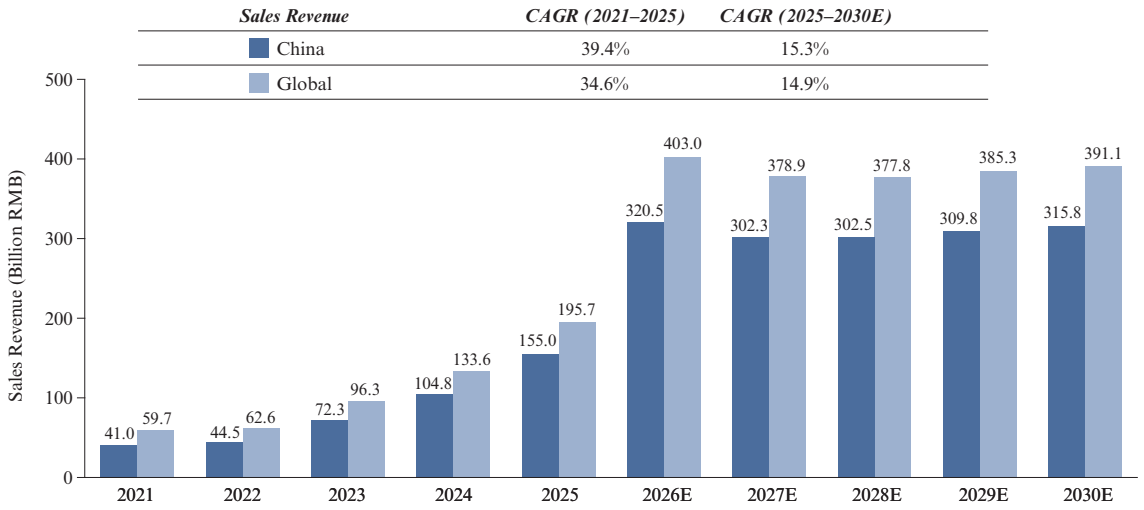
Global and China's Market Size of Silver Powder Industry

Due to the continuous increase in sales volume of silver powder, the global sales revenue of silver powder grew from RMB59.7 billion in 2021 to RMB195.7 billion in 2025, with a CAGR of 34.6%. During the same period, 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%. Notably, the CAGR of sales revenue was higher than that of sales volume due to the increase in the average selling price of silver powder.

With the increasing sales volume of silver powder driven by growing demand from downstream industries as well as the increase in the average selling price of silver powder, the global sales revenue of silver powder is expected to reach RMB391.1 billion in 2030, representing a CAGR of 14.9% from 2025 to 2030. Meanwhile, 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.

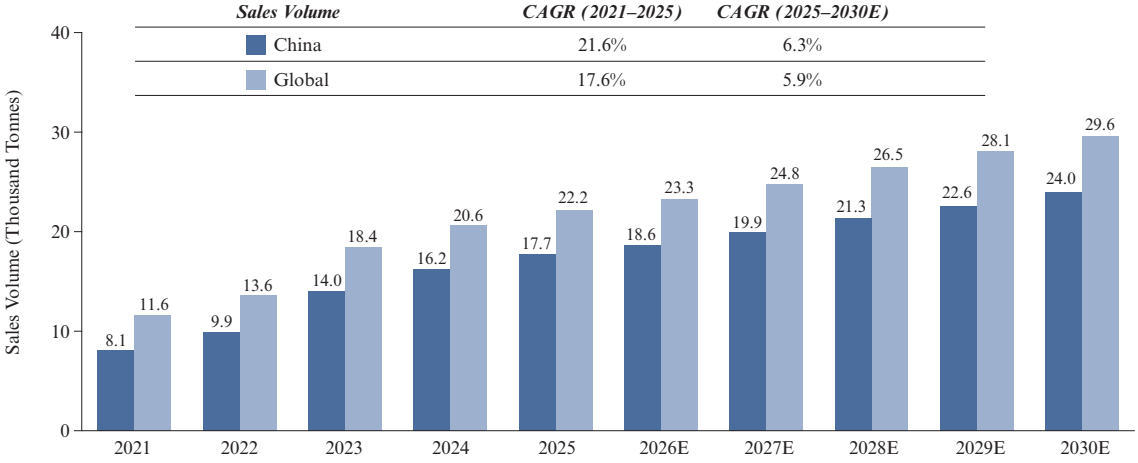
Sales Revenue of Silver Powder (Global and China), 2021–2030E



Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

The global sales volume of silver powder grew from 11.6 thousand tonnes in 2021 to 22.2 thousand tonnes in 2025, with a CAGR of 17.6%. During the same period, the sales volume of silver powder in China increased from 8.1 thousand tonnes in 2021 to 17.7 thousand tonnes in 2025, representing a CAGR of 21.6%. In 2030, the global sales volume of silver powder is predicted to reach 29.6 thousand tonnes, representing a CAGR of 5.9% from 2025 to 2030. Meanwhile, the sales volume of silver powder in China is projected to reach 24.0 thousand tonnes in 2030, growing at a CAGR of 6.3% from 2025 to 2030.

Sales Volume of Silver Powder (Global and China), 2021–2030E



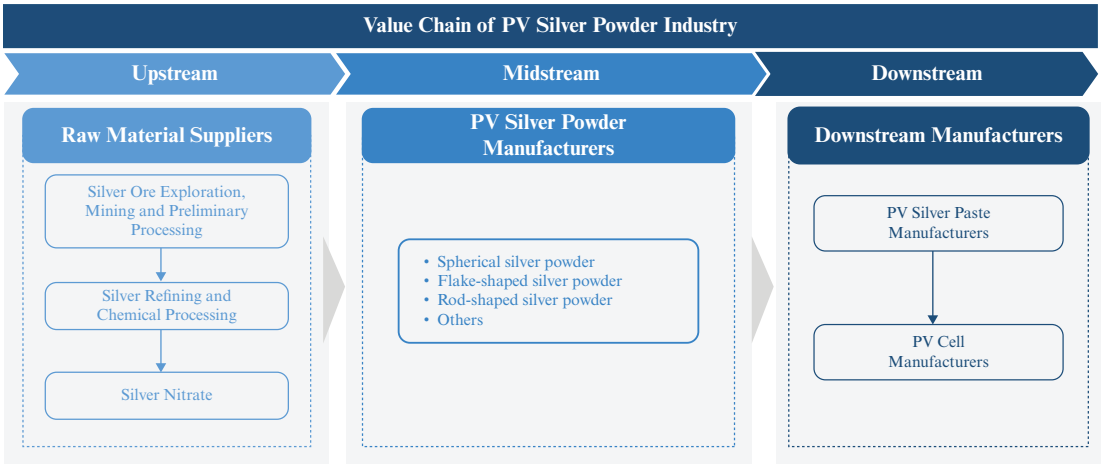
Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

PV silver paste is one of the major downstream applications of silver powder, accounting for approximately 29.2% in terms of global sales revenue of silver powder in 2025, and accounting for approximately 33.9% in terms of sales revenue of silver powder in China in 2025.

Value Chain of PV Silver Powder Industry

The value chain of PV silver powder industry is primarily composed of upstream raw material suppliers, midstream PV silver powder manufacturers, and downstream PV silver paste manufacturers and PV cell manufacturers.

The upstream of PV silver powder industry is the exploration, mining and preliminary processing of silver ore resources, followed by the silver refining and subsequent chemical processing to produce silver nitrate. The midstream PV silver powder manufacturers produce silver powder with excellent conductivity. The downstream PV silver paste manufacturers procure PV silver powder as the major raw material to produce PV silver paste, and then PV cell manufacturers use PV silver paste to produce PV cells through precise printing, sintering, and other production processes.



Source: Frost & Sullivan Analysis

Global and China's Market Size of PV Silver Powder Industry

Production Volume of Global and China's PV Silver Powder Industry

The global production volume of PV silver powder increased from 3.2 thousand tonnes in 2021 to 6.7 thousand tonnes in 2025, with a CAGR of 20.3%. During the same period, the production volume of PV silver powder in China increased from 1.0 thousand tonnes in 2021 to 6.0 thousand tonnes in 2025, representing a CAGR of 56.5%. As the technical level of China's PV silver powder manufacturers gradually approaches the international advanced level, the localisation rate of China's PV silver powder industry experienced a continuous increase.

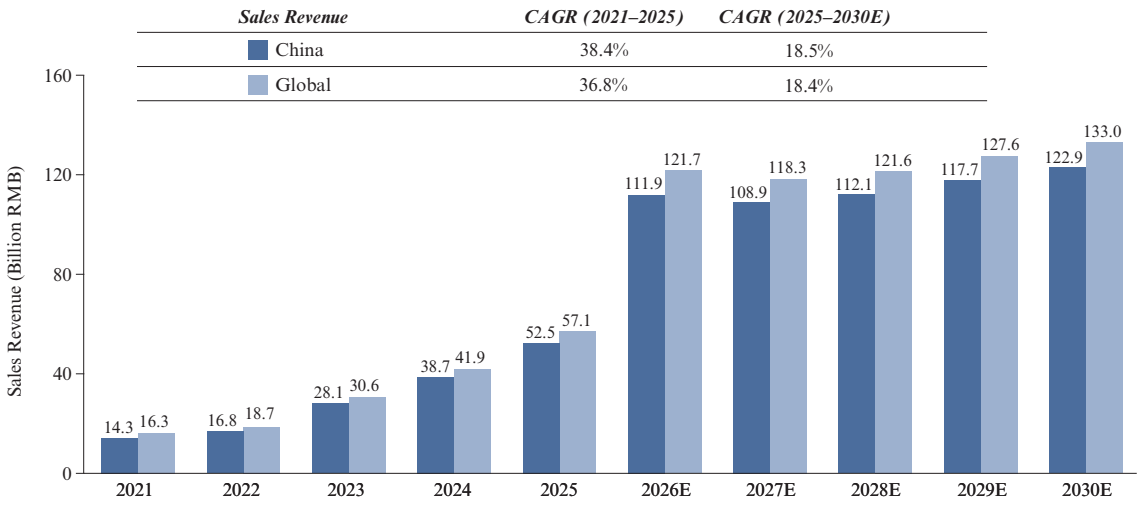
In the future, the global production volume of PV silver powder is expected to reach 10.2 thousand tonnes in 2030, representing a CAGR of 8.8% from 2025 to 2030. Meanwhile, the production volume of PV silver powder in China is expected to reach 9.3 thousand tonnes in 2030, growing at a CAGR of 9.2% from 2025 to 2030.

Sales Revenue of Global and China's PV Silver Powder Industry

The global sales revenue of PV silver powder grew from RMB16.3 billion in 2021 to RMB57.1 billion in 2025, with a CAGR of 36.8%. During the same period, 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%. The increase in average selling price of silver resulted in a higher growth rate of sales revenue than sales volume of PV silver powder.

With the continuous development of PV industry, the growing demand for PV silver powder and the increase in the average selling price of PV silver powder lead to an increase in the sales revenue. In 2030, the global sales revenue of PV silver powder is expected to reach RMB133.0 billion, representing a CAGR of 18.4% from 2025 to 2030. Meanwhile, 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.

Sales Revenue of PV Silver Powder (Global and China), 2021–2030E

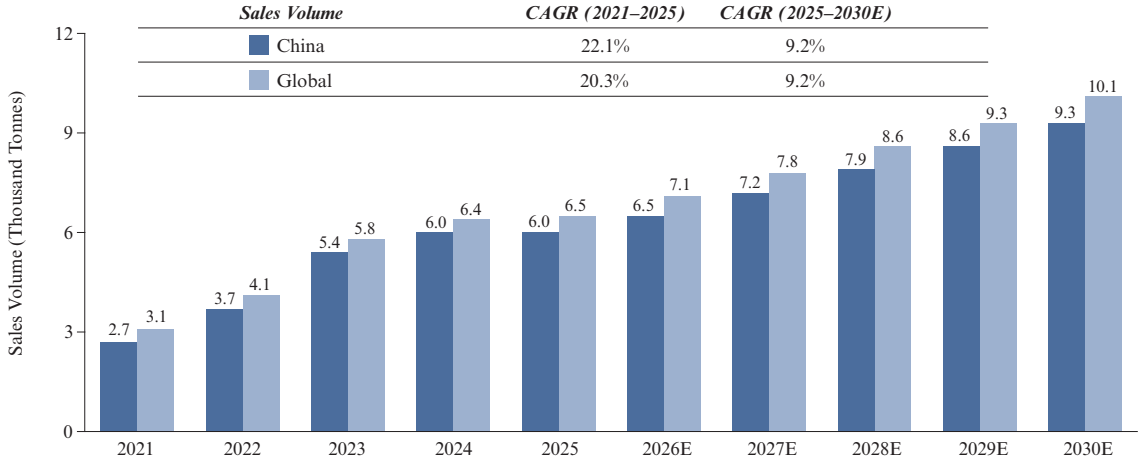


Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

The global sales volume of PV silver powder increased from 3.1 thousand tonnes in 2021 to 6.5 thousand tonnes in 2025, with a CAGR of 20.3%. During the same period, the sales volume of PV silver powder in China increased from 2.7 thousand tonnes in 2021 to 6.0 thousand tonnes in 2025, representing a CAGR of 22.1%. As China is the largest country of PV cell manufacturing, the sales volume of PV silver powder in China accounted for approximately 92.3% of the global sales volume in 2025. Due to the growing demand from PV silver paste, the sales volume of PV silver powder is

expected to maintain a rapid growth in the future. In 2030, the global sales volume of PV silver powder is predicted to reach 10.1 thousand tonnes, representing a CAGR of 9.2% from 2025 to 2030. Meanwhile, the sales volume of PV silver powder in China is projected to reach 9.3 thousand tonnes in 2030, growing at a CAGR of 9.2% from 2025 to 2030.

Sales Volume of PV Silver Powder (Global and China), 2021–2030E

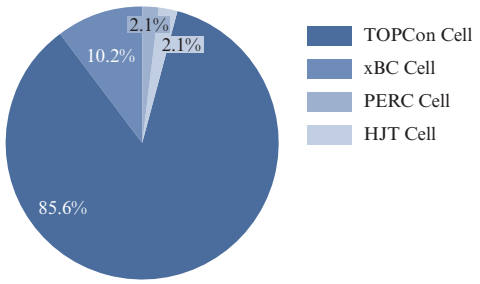


Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

Breakdown of China's PV Silver Powder Industry

By different applications, TOPCon cell dominated the sales volume of PV silver powder in China in 2025, capturing a significant share of approximately 85.6%. Additionally, xBC cell, PERC cell and HJT cell contributed to the sales volume with respective shares of approximately 10.2%, 2.1% and 2.1% in China's PV silver powder industry in 2025.

Sales Volume of PV Silver Powder (China), by Applications, 2025



Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

Moreover, by product types with different structures, spherical silver powder accounted for over 95.0% of the total sales volume of PV silver powder in China in 2025.

Import Volume of China's PV Silver Powder Industry

In the early stage, China's PV silver powder industry mainly relied on imports. However, with the continuous technological advancements, the quality and performance of PV silver powder by domestic manufacturers have gradually approached international level, leading to a decreasing trend in import volume of PV silver powder. From 2021 to 2025, the import volume of PV silver powder in China decreased from approximately 1.7 thousand tonnes to 0.2 thousand tonnes, with a CAGR of –41.4%. The proportion of import volume in the total PV silver powder consumption in China decreased from 63.0% in 2021 to 3.3% in 2025. As TOPCon cell technology has gradually matured

and achieved mass production, domestic manufacturers developed PV silver powder that can satisfy the requirements of TOPCon cell manufacturers. Consequently, domestic PV silver powder has replaced imported products, leading to a decline in PV silver powder imports since 2024.

In the future, the import volume of PV silver powder in China is expected to remain at a low level. With the further development of the PV industry and the growing demand for PV silver powder, the domestic PV silver powder manufacturers with strong technical capabilities are expected to have growth opportunities, which contributes to further increase in the localisation rate of PV silver powder.

Overview of Advanced PV Silver Powder

Advanced PV silver powder refers to the PV silver powder that is applied in the production of PV silver pastes for the front-side fine grid in PERC cells, front-side fine grids and rear-side high-copper paste in TOPCon cells, as well as conductive grids in HJT cells and xBC cells. As PV silver pastes for the front-side fine grid in PERC cells and TOPCon cells, as well as conductive grids in HJT cells and xBC cells generally have higher requirements for the conductivity and stability, the silver powder is required to have uniform particle morphology and stable consistency between batches accordingly.

Leading domestic PV silver powder manufacturers have been dedicated to developing advanced PV silver powder to realise domestic substitution. The localisation rate of advanced PV silver powder in China in terms of sales volume was 93.9% in 2025.

Market Drivers of PV Silver Powder Industry in China

Growing downstream demand. With the increasing emphasis on renewable energy and the continuous advancement of PV technologies, the production scale of PV cells and PV silver pastes continues to expand. From 2021 to 2025, the production volume of PV cells in China increased from 198.0 GW to 660.1 GW, with a CAGR of 35.1%, and is expected to reach 1,226.2 GW by 2030, with a CAGR of 13.2% from 2025 to 2030. From 2021 to 2025, the production volume of PV silver pastes in China increased from approximately 3.2 thousand tonnes to 7.2 thousand tonnes, with a CAGR of 22.5%, and is expected to reach approximately 11.3 thousand tonnes in 2030, growing at a CAGR of 9.4% from 2025 to 2030. The robust growth in downstream demand has promoted the development of PV silver powder industry.

Improving product performance. PV silver powder manufacturers have been dedicated to exploring and optimising production processes to improve their product qualities and performances, which can help downstream PV silver pastes and PV cells to improve the PV conversion efficiency and service life. With the growing downstream requirements, the PV silver powder industry faces an increasing demand for advanced PV silver powder products, which prompts manufacturers to continuously increase their investments in research and development to improve product performance, thereby driving the development of PV silver powder industry. With the improvement of technology and product performance, domestic PV silver powder can replace overseas products to achieve further localisation substitution.

Favourable policies. In recent years, the Chinese government has issued a series of policies to promote the development of PV and related industries. For instance, the "Classification of Strategic Emerging Industries (2018)" (《戰略性新興產業分類(2018)》) released in 2018, included silver powder manufacturing in the list of strategic emerging industries, which provides policy support and favourable environment for the development of China's PV silver powder industry. Further, PV related policies such as the "Notice on Promoting Collaborative Development of Photovoltaic Industry Chain and Supply Chain" (《關於促進光伏產業鏈和供應鏈協同發展的通知》) issued in 2022 and the "Action Plan for Accelerating the Establishment of a New Power System (2024–2027)" (《加快構建新型電力系統行動方案(2024–2027 年)》) released in 2024, not only facilitate innovation and upgrading in PV cell technologies, but also stimulate market demand for critical materials such as PV silver powder. Therefore, driven by favourable policies, the PV silver powder industry has

ushered in broader development prospects. The PV cell industry has recently faced intense price competition, prompting the China Photovoltaic Industry Association to propose a market guidance price to stabilise significantly fluctuating PV module prices. In August 2025, the China Photovoltaic Industry Association released the "Initiative on Further Strengthening Industry Self-Regulation and Jointly Safeguarding a Fair Competition-Oriented PV Market Order with Survival of the Fittest" (《關於進一步加強行業自律，共同維護公平競爭、優勝劣汰的光伏市場秩序的倡議》). The initiative proposes that enterprises shall strictly abide by laws and regulations such as the "Price Law of the People's Republic of China" (《中華人民共和國價格法》), the "Anti-Monopoly Law of the People's Republic of China" (《中華人民共和國反壟斷法》), the "Tendering and Bidding Law of the People's Republic of China" (《中華人民共和國招標投標法》), and the "Anti-Unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》), and resolutely resist vicious competition through below-cost pricing. It also recommends that downstream power station enterprises optimize tendering and bidding rules by reducing the weighting of price-related factors and increasing the weighting of technical criteria in tender evaluation. Due to strengthened industry self-regulation, capacity adjustments and changes in market supply and demand, prices of PV cells showed an upward trend in the second half of 2025. This price recovery is expected to positively influence the PV sector by fostering a healthier and more orderly market environment. Furthermore, the commencement of large-scale projects in regions such as Xinjiang and Gansu in 2024, along with the policy "Guiding Opinions on Vigorously Implementing the Renewable Energy Substitution Action" (《關於大力實施可再生能源替代行動的指導意見》), is anticipated to support the growth in domestic PV installations.

Future Opportunities and Challenges of PV Silver Powder Industry in China

Expansion of application fields. China's silver powder manufacturers are actively expanding their applications to a wide range of industries, including electronics, chemicals, and medicine. The continuous development of these downstream industries is expected to stimulate the demand for silver powder. For instance, the market size of electronics industry in China in terms of revenue is expected to grow from RMB17.4 trillion in 2025 to RMB23.0 trillion in 2030, with a CAGR of 5.7%, providing broad development opportunities for silver powder manufacturers. By innovating technology and developing new products, silver powder manufacturers continue to improve their competitiveness and diversify their revenue sources by expanding their business portfolio.

Global business expansion. Driven by technological advancements and growing global demand, domestic PV silver powder manufacturers start to expand their business layout to overseas markets. They improve production capabilities and quality standards to meet international requirements and ensure their competitiveness globally. Domestic manufacturers are actively seeking partnerships and collaborations, including acquisitions and the establishment of new production bases, to facilitate their access and growth in overseas markets. Additionally, the global business expansion of downstream PV cell manufacturers and PV silver paste manufacturers also prompts silver powder manufacturers to expand business layout to ensure stable and timely supply.

Increasing localisation rate. During the exploring stage of China's PV silver powder industry before 2020, due to technical barriers, the consumption of PV silver powder in China mainly relied on imports. In recent years, an increasing number of domestic PV silver powder manufacturers have focused on independent research and development and production, and continuously improved their product qualities and performances to enhance their competitiveness. Therefore, PV silver powder by domestic manufacturers has gradually obtained market recognition, with the localisation rate of China's PV silver powder industry in terms of sales volume increasing from 37.0% in 2021 to 96.7% in 2025. In the future, with the further technological advancements, the localisation rate of China's PV silver powder industry in terms of sales volume is expected to further increase to 98.9% by the end of 2030.

Cost control. With the rapid development of China's PV silver powder industry, the competition has become increasingly fierce. In order to increase market shares, many domestic manufacturers attract and retain customers by reducing mark-up, which represents the processing margin for converting silver nitrate into silver powder, leading to a continuous decline in mark-up.

Meanwhile, the continued cost compression in the PV industry has led to higher requirements for cost control in the PV silver powder industry. Therefore, PV silver powder manufacturers have to continuously strengthen their cost control capabilities to maintain competitiveness.

Competitive Landscape of Global and China's PV Silver Powder Industry

The competition in global PV silver powder industry has intensified. Only a limited number of manufacturers are able to establish competitive advantages in technology, capital, and customer resources to capture market share. There were nearly 30 PV silver powder manufacturers in the world as of 31 December 2025. In terms of technology, manufacturers are required to achieve mass production of silver powder with high purity, uniform particle size, and regular morphology, and to continuously adapt to technological iterations such as N-type PV cells, resulting in high technical barriers. In terms of customer resource, the downstream customers are primarily PV silver paste manufacturers, which have stringent requirements for the stability and consistency of PV silver powder. A lengthy certification process is required, and upon passing certification, PV silver powder manufacturers typically establish long-term cooperative relationships with their customers, leading to strong customer stickiness. In terms of capital, large-scale production requires substantial investment in equipment and R&D. Small and medium-sized manufacturers generally find it difficult to bear the initial investment and subsequent costs of capacity expansion. Therefore, the PV silver powder industry is characterized by a relatively concentrated market structure with a limited number of participants.

In terms of sales revenue of PV silver powder in China in 2025, the top five manufacturers in China accounted for approximately 54.2%, among which our Group ranked third, with a market share of 9.3%.

Top Five PV Silver Powder Manufacturers by Sales Revenue in China, 2025

Ranking	Company Name	Headquarter Location	Listing Status	Sales Revenue (Billion RMB)	Market Share (%)
1	Company A	Hubei Province, China	Not Listed	11.1	21.1%
2	Company B	Jiangsu Province, China	Not Listed	6.9	13.1%
3	**Our Group**	**Shandong Province, China**	**—**	**4.9**	**9.3%**
4	Company C	Hubei Province, China	Not Listed	3.2	6.1%
5	Company D	Jiangsu Province, China	Not Listed	2.4	4.6%
Top 5					54.2%

Notes:

(1) The sales revenue of PV silver powder excludes silver powder generated as scrap or substandard products during the production and research processes, and silver powder manufactured and supplied through processing services.

(2) Founded in 2021 and headquartered in Hubei Province, China, Company A is mainly engaged in research and development, production, and sales of silver powder, copper powder, nickel powder and other metal powders, focusing on the customised silver powder for front-side silver paste of PV cells.

(3) Founded in 2012 and headquartered in Jiangsu Province, China, Company B mainly focuses on the research and development, production and sales of optoelectronic functional materials such as silver powder for various types of conductive silver pastes, rare-earth luminescent materials and advanced surface materials.

(4) Founded in 2017 and headquartered in Hubei Province, China, Company C mainly focuses on the research and development, production and sales of precious-metal materials, including silver nitrate, PV silver powder, electronic pastes, precious-metal salts and high-purity metals.

(5) Founded in 2008 and headquartered in Jiangsu Province, China, Company D mainly focuses on the research and development, production and sales of electronic materials and new chemical materials, the product portfolio includes conductive materials, silicone materials, and coating materials.

Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

xBC cells can offer advantages such as higher power output, reduced front-side shading losses, lower degradation, and a favorable temperature coefficient, making them one of the important next-generation PV cell technologies with considerable growth potential. As the PV industry continues to pursue higher conversion efficiency, improved module performance, and differentiated product competitiveness, xBC technology is expected to achieve broader applications in the coming years. Meanwhile, xBC cells generally impose higher requirements on PV silver powder and metallization materials, particularly in terms of high sphericity, fine-line printing capability, electrical conductivity, contact performance and other properties. Therefore, the increasing adoption of xBC cells is expected to accelerate the upgrading of PV silver powder toward more advanced products. The sales revenue of xBC cell silver powders in China reached approximately RMB5.4 billion in 2025 and is expected to reach approximately RMB39.1 billion in 2030, representing a CAGR of 48.6%. The proportion of xBC cell silver powders in the total sales revenue of PV silver powder in China is expected to increase from 10.3% in 2025 to 31.8% in 2030. Driven by the continued increase in xBC cell production, demand for advanced PV silver powder is expected to grow rapidly, creating significant development opportunities for manufacturers with strong R&D capabilities and proven mass-production capacity in advanced silver powder products.

xBC cell silver powders refer to silver powder products that can be used in silver pastes applicable to xBC cells. In terms of sales revenue of xBC cell silver powders in 2025, our Group ranked first in China, demonstrating a leading position in advanced silver powder for xBC cells, an important next-generation PV cell technology.

Top Three xBC Cell Silver Powder Manufacturers by Sales Revenue in China, 2025

Ranking	Company Name	Headquarter Location	Listing Status	Sales Revenue (Billion RMB)
1	**Our Group**	**Shandong Province, China**	**—**	**2.5**
2	Company A	Hubei Province, China	Not Listed	0.3
3	Company E	Tokyo, Japan	Not Listed	0.2
Top 3				3.0

Notes:

(1) The sales revenue of xBC cell silver powder excludes silver powder generated as scrap or substandard products during the production and research processes, and silver powder manufactured and supplied through processing services.

(2) Founded in 2006 and headquartered in Japan, Company E is a company specialising in electronics materials. The company has three major businesses, including semiconductor, electronics materials and advanced fine materials. The electronics materials business produces and sells materials such as silver powder and silver oxide powder.

Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

Entry Barriers of PV Silver Powder Industry

Technical barriers. The production technologies of PV silver powder have relatively high requirements, involving multiple aspects such as the ability to control particle size, crystallinity (結晶度), sintering activity (燒結活性), and 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 by

silver powder. Meanwhile, PV silver powder manufacturers need to have a talent reserve to quickly respond to changes in PV cell technologies. However, it is difficult for new entrants to have sufficient technical and talent reserve in a short period of time.

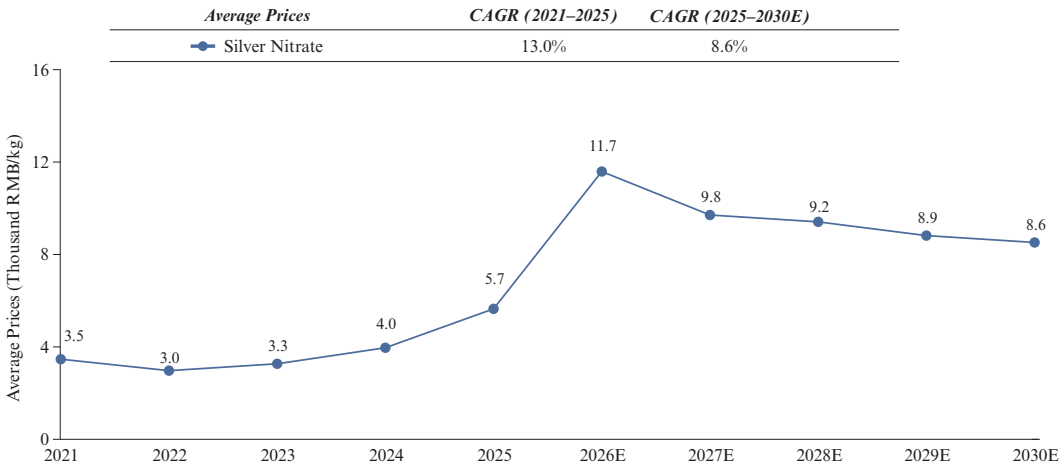
Capital barriers. The PV silver powder industry requires significant capital investment in production facilities, research and development, and procurement of raw materials such as silver nitrate. Therefore, leading participants with sufficient capital investment can better seize market opportunities in a fast-moving industry. For instance, they can optimise the production processes to improve their products in response to technological iterations of PV cells. However, new entrants may face great challenges to obtain sufficient capital support to maintain their competitiveness.

Brand and customer resource barriers. The downstream customers of PV silver powder manufacturers are primarily PV silver paste manufacturers, who raise 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 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. Established manufacturers enjoy strong reputations and long-term strategic relationships with downstream customers. However, it is difficult for new entrants to obtain customer recognition and build similar customer relationship within a short period of time.

Average Price of Raw Material

The average price of silver in China increased from RMB4.6 thousand per kg to RMB8.6 thousand per kg from 2021 to 2025, with a CAGR of 16.9%, and it is projected to reach RMB13.0 thousand per kg in 2030, growing at a CAGR of 8.6% from 2025 to 2030. Silver nitrate is the major raw material of PV silver powder and its average price is primarily affected by the average price of silver. From 2021 to 2025, the average price of silver nitrate in China increased from approximately RMB3.5 thousand per kg to RMB5.7 thousand per kg, with a CAGR of 13.0%. In the future, the average price of silver nitrate in China is expected to reach approximately RMB8.6 thousand per kg, growing at a CAGR of 8.6% from 2025 to 2030.

Average Price (Excluding VAT) of Silver Nitrate (China), 2021–2030E



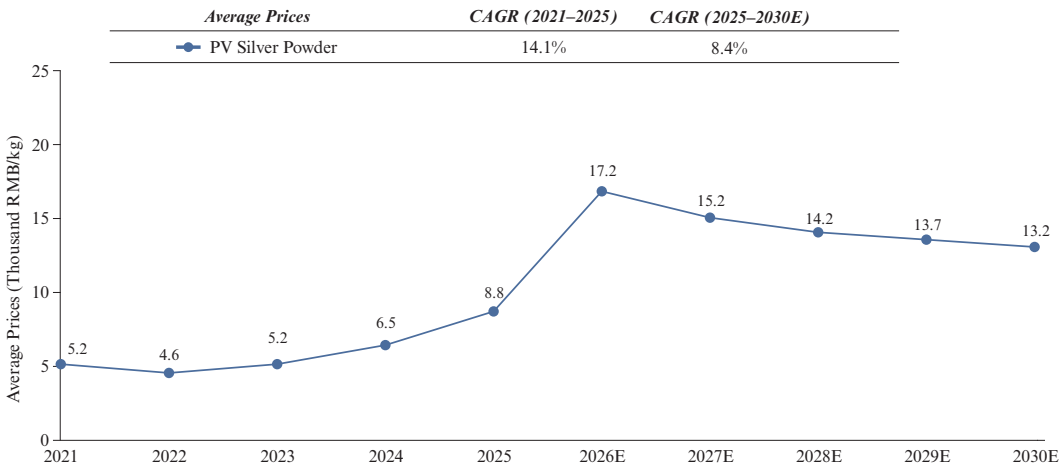
Source: London Metal Exchange; Shanghai Gold Exchange; Frost & Sullivan Analysis

Average Price of PV Silver Powder

The average price of PV silver powder in China is primarily affected by the average price of silver nitrate which is the major raw material, as well as the mark-up that accounts for the processing of silver nitrate into silver powder by PV silver powder manufacturers. The average price of PV silver powder in China demonstrated and is expected to maintain an overall upward trend mainly due to the increase in average selling price of silver nitrate. However, the mark-up by PV silver powder manufacturers experienced and is expected to maintain a decrease due to the intensified competition. The average price of PV silver powder in China grew from approximately RMB5.2 thousand per kg in 2021 to RMB8.8 thousand per kg in 2025, with a CAGR of 14.1%. In 2022, the average price of PV silver powder in China experienced a decline mainly due to the decrease in average price of silver nitrate.

In the future, the average price of PV silver powder in China is expected to reach approximately RMB13.2 thousand per kg, growing at a CAGR of 8.4% from 2025 to 2030.

Average Price (Excluding VAT) of PV Silver Powder (China), 2021–2030E



Source: London Metal Exchange; Shanghai Gold Exchange; Frost & Sullivan Analysis

CHINA'S PV SILVER PASTE INDUSTRY

Definition and Overview of PV Silver Paste

PV silver paste is a viscous slurry composed of high-purity silver powder serving as the conductive phase, glass oxide serving as the bonding phase, and resin and solvents serving as the organic carrier. PV silver paste is a crucial material for the production of metal electrodes in PV cells, and its product performance and production process directly influence the photoelectric conversion efficiency of solar cells. Among the major raw materials of PV silver paste, the quality of silver powder directly impacts the conductive performance of PV cells. Therefore, the selection of appropriate silver powder for the silver paste formulation is important.

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. As of 31 December 2025, there were more than 30 PV silver paste manufacturers in China, among which the top five manufacturers accounted for approximately 60.0% in terms of sales revenue in 2025.

Market Size of PV Silver Paste Industry in China

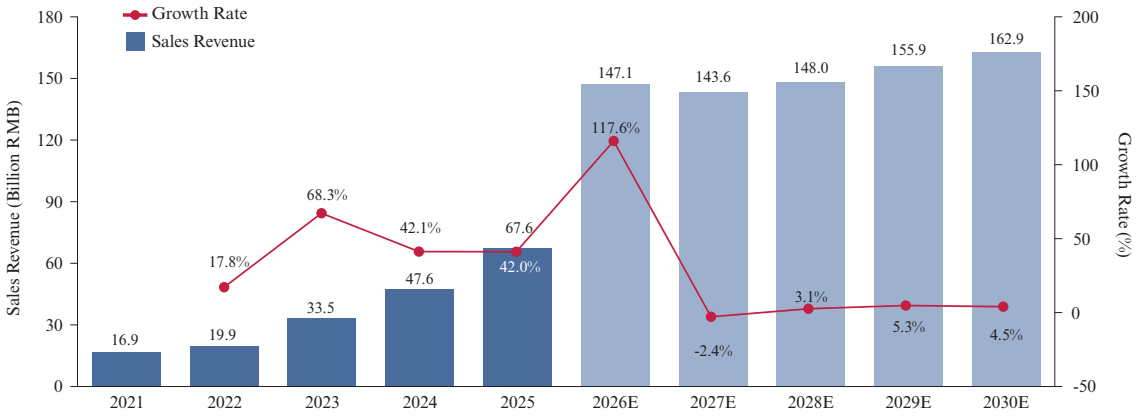
Driven by a surge in downstream demand from PV industry, rapid penetration of N-Type cells, and continuous technological innovation, the PV silver paste industry in China has experienced a rapid increase in recent years. Due to the continuous increase in sales volume of PV silver paste, the sales revenue 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%.

Driven by the further development of 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 2021, the surge in installed capacity of PV cells boosted the demand for PV silver paste, which resulted in an increase by 39.7% of sales revenue in China's PV silver paste industry. In 2022, mainly due to a decline in the average price of PV silver paste, as well as the stabilized consumption of PV silver paste as PERC cell technology matured, the growth of sales revenue in China's PV silver paste industry slowed down, reaching 17.8%. In 2023, the sales revenue in China's PV silver paste industry experienced a significant increase by 68.3%, primarily due to the large-scale deployment of N-type cells, which consume more silver paste per unit than PERC cells, thereby driving a significant increase in demand for PV silver paste. In 2026, the sales revenue of PV silver paste in China is expected to witness a significant increase primarily due to a surge in the average price of PV silver paste.

Sales Revenue of PV Silver Paste (China), 2021–2030E

Sales Revenue	*CAGR (2021–2025)*	*CAGR (2025–2030E)*
China	41.4%	19.2%



Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

CHINA'S PV CELL INDUSTRY

Definition and Overview of PV Cell Industry

PV cells refer to semiconductor devices manufactured by processing silicon wafers, which can generate voltage under certain lighting conditions and produce current when there is a circuit, thus converting solar energy into electrical energy. 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, P-type PERC cells have 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. However, as the PV industry continues to grow and the efficiency of

P-type PERC cells approaches its theoretical cap, the challenges in meeting the evolving demands for enhanced efficiency and cost reduction in solar power generation intensify. Consequently, in seeking new industry breakthroughs, leading market participants have gradually turned their attention to N-type cells, which in turn led to a rapid increase in production and market adoption. In 2025, N-type cells reached a market share of approximately 96.9% in terms of production volume.

The PV cell industry in China is relatively fragmented. As of 31 December 2025, there were approximately 250 PV cells manufacturers in China, among which the top five manufacturers accounted for 31.2% in terms of sales volume and 40.1% in terms of sales revenue in 2025.

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 (referring to the capacity that significantly lags behind the current mainstream industry standards in core indicators such as technological route, conversion efficiency, energy consumption, and environmental protection, lacks market competitiveness, and does not align with the direction of industrial development) and the exit of many small-scale enterprises from the market. In addition, as the clearance of outdated production capacity of PV cells accelerates, technological iteration has become the core driving force, fueling the rapid penetration of high-efficiency PV cell technologies such as N-type TOPCon, HJT, and xBC. The development trend of PV related industries is shifting from capacity expansion to technology-driven value enhancement, and market share is expected to increasingly concentrate in leading enterprises with strong technical capabilities and economies of scale.

Over the past few years, the PV cell industry has experienced significant technological iteration, shifting from P-type cells to N-type cells. In terms of PV cell production volume in China, the market share of N-type cells increased significantly from 26.5% in 2023 to 79.4% in 2024, and further increased to 96.9% in 2025. A similar technology transition has also been observed in the global PV cell industry, as China accounts for the majority of global PV cell production, representing approximately 90% of global production volume in 2025, and N-type cell technologies have become the mainstream technology route for global PV cell manufacturing. Such technological transition led to the gradual phase-out of obsolete production capacity, while manufacturers that strategically invested in new technologies at an early stage captured greater market share by leveraging their first-mover advantages and economies of scale. In terms of production volume, the market share of the top five PV cell manufacturers in China remained stable at approximately 30% in 2024 and 2025. Moreover, as China accounts for the majority of global PV cell production, the competitive landscape of the global PV cell industry is primarily driven by Chinese manufacturers. In terms of production volume, the market share of the top five global PV cell manufacturers remained stable at approximately 27% in 2024 and 2025. Therefore, as the transition from P-type cells to N-type cells became largely completed and outdated production capacity was gradually phased out, the consolidation of companies in China's PV cell industry has shown signs of stabilisation since 2025.

The increasing market concentration among leading PV cell manufacturers may enhance their bargaining power over PV silver paste suppliers to some extent, particularly in relation to pricing, payment terms and supplier qualification standards, and such pressures may in turn be transmitted upstream to PV silver powder manufacturers. However, such bargaining pressure is expected to be mitigated for leading PV silver powder manufacturers with strong technical capabilities, stable mass-production capabilities and established customer relationships, such as the Group. The primary reasons include: (i) PV silver powder is a key functional material that directly affects the performance of PV silver paste and the conversion efficiency of PV cells. PV silver paste manufacturers generally impose stringent requirements on product performance, quality consistency

and supply stability, and the introduction and verification cycle for qualified suppliers is relatively lengthy, resulting in strong customer stickiness; and (ii) PV silver powder products tailored for advanced cell technologies have relatively high technical barriers in areas such as particle size control, purity, morphology control, dispersibility and batch-to-batch consistency, thereby limiting the substitutability of qualified suppliers and reducing the likelihood of downstream customers switching suppliers solely based on pricing considerations.

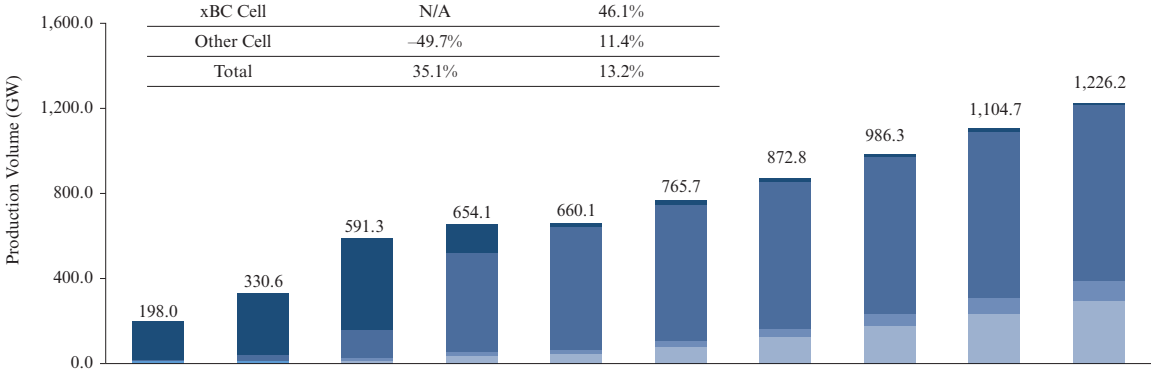
Market Size of PV Cell Industry in China

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.

Driven by (i) carbon neutrality and energy security concerns, (ii) economic viability, technological progress and mass production, and (iii) integrated energy storage system providing complementary solutions, the PV cell industry in China has experienced a rapid increase in recent years. 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 cell, TOPCon cell, HJT cell and other cell in China grew at a CAGR of –42.4%, 234.8%, 71.2% and –49.7%, respectively. With the growing 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 cell, TOPCon cell, HJT cell, xBC cell and other cell in China is expected to grow at a CAGR of –9.1%, 7.4%, 39.8%, 46.1% and 11.4% from 2025 to 2030, respectively.

Production Volume of PV Cell (China), 2021–2030E

Production Volume	*CAGR (2021–2025)*	*CAGR (2025–2030E)*
PERC Cell	–42.4%	–9.1%
TOPCon Cell	234.8%	7.4%
HJT Cell	71.2%	39.8%
xBC Cell	N/A	46.1%
Other Cell	–49.7%	11.4%
Total	35.1%	13.2%



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Total	198.0	330.6	591.3	654.1	660.1	765.7	872.8	986.3	1,104.7	1,226.2
PERC Cell	180.5	290.9	431.6	134.1	19.8	19.9	19.2	17.8	15.5	12.3
TOPCon Cell	4.6	27.4	136.0	465.0	578.2	640.8	690.4	734.8	783.2	826.4
HJT Cell	2.0	2.0	15.4	21.6	17.2	27.6	40.1	55.2	72.9	92.0
xBC Cell	0.0	0.7	5.3	32.7	44.2	76.6	122.2	177.5	232.0	294.3
Other Cell	10.9	9.6	3.0	0.7	0.7	0.8	0.9	1.0	1.1	1.2

Source: China Photovoltaic Industry Association; Frost & Sullivan Analysis

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB764,000. Founded in 1961, Frost & Sullivan is an

independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent's information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan's own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global and China's economy is likely to maintain steady growth in the next decade; (ii) global and China's social, economic, and political environment is likely to remain stable in the forecast period; and (iii) market drivers like growing downstream demand, improving product performance, favourable policies, among others.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

REGULATORY OVERVIEW

The contents disclosed in this section are a summary of the principal PRC laws, regulations and rules relating to our business and do not constitute a detailed analysis of PRC laws, nor are they all applicable to our business operations in the PRC, and such PRC laws may change in the future.

PRINCIPAL REGULATORY AUTHORITIES

We are mainly engaged in the research and development, production and sales of silver powder. According to the "Classification of Industries of the National Economy (GB/T 4754–2017)" (《國民經濟行業分類》) promulgated on 30 June 2017 and implemented on 1 October 2017, the industry in which we operate is electronic special materials manufacturing in C3985 manufacturing industry, and the competent department of industry is the Ministry of Industry and Information Technology of the PRC (hereinafter referred to as the "MIIT").

The main responsibilities of the MIIT include formulating development plans in relation to industry, telecommunications and information technology and organising the implementation thereof, formulating guiding industrial policies, drafting relevant laws and regulations, formulating rules, and regulating the development of the industry.

INDUSTRIAL POLICIES

In recent years, the PRC government has issued a series of policies to promote the development of silver powder industry in which the Group operates.

According to the Notice on Promoting the Coordinated Development of the Photovoltaic Industrial Chain and Supply Chain (《關於促進光伏產業鏈供應鏈協同發展的通知》), which was jointly promulgated by the General Office of the Ministry of Industry and Information Technology, the General Office of the State Administration for Market Regulation, and the Comprehensive Department of the National Energy Administration on 17 August 2022 and implemented on the same date, the state will promote coordination across the PV industrial chain, strengthen supply chain stability, and ensure the sound development and operation of the PV industry.

According to the Guiding Opinions of the State Council on Accelerating the Establishment of a Sound Economic System with Green, Low-carbon and Circular Development (《國務院關於加快建立健全綠色低碳循環發展經濟體系的指導意見》) which was promulgated by the State Council on 2 February 2021 and implemented on the same date, the state will promote the green and low-carbon transformation of the energy system, increase the proportion of renewable energy, and vigorously promote the development of PV power generation.

According to the Notice of Encouraging the Intensified Financial Support to Promote the Sound and Orderly Development of Wind Power and Photovoltaic Power Industries (《關於引導加大金融支持力度促進風電和光伏發電等行業健康有序發展的通知》) jointly promulgated by the NDRC, Ministry of Finance, NEA, the China Banking and Insurance Regulatory Commission and People's Bank of China on 24 February 2021 and implemented on the same date, the state will increase its support for PV enterprises through financial means to help enterprises tide over difficulties.

According to the Opinions on Improving Systems, Mechanisms, Policies and the Measures for Green and Low-carbon Energy Transition (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》) which was promulgated by the NDRC and the NEA on 30 January 2022, the state will speed up building a clean, low-carbon, safe, and highly-efficient energy system while deepening reforms of mechanisms and innovation in the energy sector.

According to the Notice on Matters Concerning Promoting the Sound Development of the Photovoltaic Industry Chain (《關於促進光伏產業鏈健康發展有關事項的通知》) which was promulgated by the NDRC and the NEA on 13 September 2022 and implemented on the same date, the state will promote the construction of large-scale wind and solar PV bases to alleviate the

capacity and price bottlenecks in the photovoltaic industry chain, enhance the supporting supply capacity of the photovoltaic power generation supply chain, and support the rapid development of clean energy in China.

REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

According to the PRC Company Law (《中華人民共和國公司法》), promulgated by the SCNPC on 29 December 1993, last revised on 29 December 2023 and implemented on 1 July 2024, companies are generally classified into two categories, i.e. limited liability companies and companies limited by shares. The PRC Company Law also applies to foreign-invested limited liability companies and companies limited by shares, unless foreign-investment related laws are provided otherwise.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the NPC on 15 March 2019 and implemented on 1 January 2020 and the Foreign Investment Law and Regulation for Implementing the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) issued by the State Council on 26 December 2019 and implemented on 1 January 2020, foreign investment refers to the investment activities directly or indirectly carried out by foreign natural persons, enterprises or other organisations within the territory of China, including the following circumstances: (1) a foreign investor establishes a foreign-funded enterprise within the territory of the PRC, either alone or together with any other investor; (2) a foreign investor acquires shares, equities, property shares or any other similar rights and interests of a PRC enterprise; (3) a foreign investor invests in any new project within the territory of the PRC, either alone or together with any other investor; and (4) a foreign investor invests in any other way as stipulated under the laws or administrative regulations or provided by the State Council. Foreign-invested enterprises (FIEs) means any enterprise registered and established in the PRC under the PRC law that is wholly or partially invested by foreign investors. FIEs and domestic enterprises shall participate on an equal footing in the formulation and revision of national, industry, local and group standards in accordance with the law. FIEs may obtain financing in China or overseas pursuant to the law via public offering of securities such as shares and corporate bonds, as well as public or non-public offering of other financing instruments and borrowing foreign debts. Foreign investors' capital contributions, profits, capital gains, gains from asset disposal, royalties of intellectual property rights obtained, legally obtained compensation or indemnification, gains from liquidation can be freely remitted in or out of China in RMB or foreign currency in accordance with the laws. The State implements a management system comprising pre-access national treatment along with a negative list with respect to foreign investment. Foreign investors shall not invest in any field forbidden by the negative list; for any field restricted by the negative list, foreign investors shall conform to the investment conditions stipulated under the negative list such as requirements on equity and senior management; any field that does not fall within the negative list shall be administered under the principle of equal treatment to domestic and foreign investment.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資準入特別管理措施(負面清單)(2024年版)》) (hereinafter referred to as the "Negative List") promulgated by the NDRC and the MOFCOM on 6 September 2024 and implemented on 1 November 2024 lists the special management measures for foreign investment access, such as equity requirements and senior management requirements, as well as the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the State Administration for Market Regulation on 30 December 2019 and implemented on 1 January 2020, where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign investment enterprises shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System.

Foreign investors or foreign-funded enterprises shall report investment information in a timely manner under the principles of veracity, accuracy and integrity, and the reports submitted shall not contain false or misleading information or material omissions.

REGULATIONS RELATING TO OFFSHORE LISTING

Pursuant to the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the "Trial Administrative Measures") and relevant seven guidelines promulgated by the CSRC on 17 February 2023 and implemented on 31 March 2023, the proposed overseas offering and listing of share of domestic companies shall be in strict compliance with laws and regulations on national security in terms of foreign investment, cybersecurity, data security and etc., and duly fulfil their obligations to protect national security. If national security review is triggered by the proposed overseas offering and listing of share of the company, the application for such offering and listing of shares shall not be submitted to the overseas security regulatory authorities or oversea stock exchange prior to the completion of the national security review in accordance with PRC laws and regulations. Domestic enterprises are prohibited from overseas offering and listing in the following circumstances: (1) such offering and listing of shares is explicitly prohibited by PRC laws and regulations, (2) the proposed offering and listing of shares has been reviewed by competent authorities under the State Council in accordance with law and is determined such proposed offering and listing of shares will endanger national security, (3) the domestic company which proposed to offer and list its shares overseas, or its controlling shareholder(s) and the actual controller of the company, have committed crimes in relation to corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years, (4) the domestic company which proposed to offer and list its shares overseas is currently under investigations due to suspected crimes or major violations of laws and regulations, and no conclusion has yet been made thereof, or (5) there are material ownership disputes over the shares held by controlling shareholder(s) or controlled by the controlling shareholder(s) and/or actual controller of the domestic company.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was issued by the CSRC and other three departments on 24 February 2023 and implemented since 31 March 2023, in the course of overseas offering and listing activities by a domestic enterprise, the domestic enterprise shall establish a sound confidentiality and archive work system, to implement the responsibility of confidentiality and archive management. A domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any documents and data that contain state secrets or working secrets of government agencies, shall report to the competent authorities with approval authority for approval in accordance with the law, and files with the secrecy administrative department at the same level. Where a domestic enterprise provides or publicly discloses to any entities including securities companies, securities service providers and overseas regulators and individuals, or provides or publicly discloses through its overseas listed entities other documents or data whose leakage will adversely affect national security or public interests, it shall strictly fulfil the corresponding procedures in accordance with the relevant state regulations. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

REGULATION RELATING TO PRODUCTION

Production Safety

Pursuant to the Production of Work Safety Law of the People's Republic of China (2021 Amendment) (《中華人民共和國安全生產法》) promulgated by the SCNPC on 29 June 2002, last amended on 10 June 2021 and implemented on 1 September 2021, the emergency management department of the State Council shall carry out comprehensive supervision and management of national work safety, and the production and operation entities must implement the national standards or industry standards formulated in accordance with the law to ensure production safety, establish and improve the safety production responsibility system and safety production rules and regulations for all employees, and the production and operation entities shall not engage in production and business activities if they do not have the conditions for production safety. The production and operation entities shall offer education and training programmes to their employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety and provide them with labour protection products in line with national standards or industry standards.

REGULATION RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the SCNPC, on 26 December 1989, last amended on 24 April 2014 and became effective on 1 January 2015, the competent environmental protection department under the State Council is responsible for the unified supervision and management of the national environmental protection work. Construction projects that have environmental impact shall be subject to environmental impact assessment. Construction projects without undergoing assessment for environmental impact according to the laws cannot commence construction. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Installations of the pollution prevention and control facility shall comply with the requirements of the approved environmental impact assessment report, and shall not be dismantled or left idle without authorisation. The State shall implement a pollution permit management system in accordance with the provisions of the law.

Pursuant to the Law of the PRC on Environment Impact Assessment (《中華人民共和國環境影響評價法》) promulgated by SCNPC on 28 October 2002 and last amended and became effective on 29 December 2018, and the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》) promulgated by the State Council on 29 November 1998 and last amended and became effective on 1 October 2017, the state implements the construction project environmental impact evaluation system and the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. The Classified Management Directory of Environmental Impact Assessment of Construction Projects (建設項目環境影響評價分類管理名錄) shall be formulated and published by the competent administrative department for environmental protection under the State Council on the basis of organising experts to carry out demonstration and soliciting opinions from relevant departments, industry associations, enterprises and institutions, and the public. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (1) for construction project with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive and detailed assessment of the pollution generated by the construction project and its impact on the environment; (2) for construction project with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialised assessment of the pollution generated by the construction project and its impact on the environment; or (3) for construction project with very small environmental impacts, environmental impact assessment is not required but an EIR Form shall be completed. Unless otherwise stipulated by laws and regulations, construction enterprises that are required to compile environmental impact reports

or environmental impact report forms shall accept the environmental protection acceptance upon completion of the construction project. The supporting environmental protection facilities for a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project. When the environmental protection facilities of the construction have passed the inspection, the construction project can be formally put into production or use.

REGULATION RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on 22 February 1993, and last amended and became effective on 29 December 2018, the products shall pass the quality inspection and the substandard products shall not be passed off as qualified products. The producers shall be liable for the quality of products produced by them. The seller assumes responsibility for the repair, replacement, or return of the sold product under the following circumstances; in cases where a consumer incurs losses due to the purchased product, the seller is obligated to compensate for these losses: (1) the product lacks the essential properties for its intended use without prior clear indication; (2) the product does not meet the stated standards displayed on the product or its packaging; or (3) the product does not match the quality as described in the product information or physical sample.

REGULATION RELATING TO SALE OF PRODUCTS

Anti-Unfair Competition

Pursuant to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC on 2 September 1993 and last amended on 27 June 2025 and became effective on 15 October 2025, the State provides certain measures to prevent unfair competition and protect market order, which includes, among others, prohibition of infringement of business secrets, improper prize sale, confusing behaviour, and the fabrication and dissemination of false information or misleading information. The business operator shall not bribe any staff of the counterparty, any entity or individual that is entrusted by the counterparty to handle relevant affairs, or using their authority or influence the entity or personnel of the counterparty, for business opportunity or competitive edge. Business operators may, in their transaction activities, explicitly give discount to a transaction counterparty, or pay commission to a middleman. When giving discount to a transaction counterparty or paying commission to a middleman, the business operator shall record the discount or commission in its accounts truthfully. Business operators who receive discount or commission shall also record the discount or commission in their accounts truthfully. Where the business operator violates the relevant provisions of this law, the regulatory authority may order the operator to stop the illegal act and confiscate the income, and impose a fine of more than RMB50,000 and less than RMB3 million depending on the seriousness, and revoke the business licence in serious case.

Anti-money Laundering

Pursuant to the Anti-money Laundering Law of the PRC (《中華人民共和國反洗錢法》) promulgated by SCNPC on 31 October 2006, last amended on 8 November 2024 and became effective on 1 January 2025, the Anti-money laundering refers to the adoption of relevant measures in accordance with the provisions of the Law, for preventing money laundering activities related to cover up and conceal of drugs dealing, organised crime, terrorism, smuggling, corruption and bribery, breaking the order of financial management and financial fraud. Where an act in violation of this law that constitutes a crime shall be subject to prosecution for criminal responsibility.

REGULATION RELATING TO INTELLECTUAL PROPERTY

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on 23 August 1982, last amended on 23 April 2019 and became effective on 1 November 2019 and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和

國商標法實施條例》) promulgated by the State Council on 3 August 2002, last amended on 29 April 2014 and became effective on 1 May 2014, trademarks registered with the Trademark Office are registered trademarks, including commodity trademarks, service trademarks, collective marks and certification marks. Trademark registrants enjoy the exclusive right to use their registered trademarks and are protected by law.

A registered trademark is valid for ten years, commencing from the date of registration and can be renewed for another ten years, commencing from the day after the expiry date of the last period of validity of the trademark. The renewal formalities shall be completed within 12 months before the expiration date and can be extended for six months. The Trademark Office shall make an announcement on the renewal of the registered trademarks. Trademark registrant may licence its registered trademark to another party by entering into a trademark licence agreement, but the trademark licence agreements must be filed with the Trademark Office to be recorded, while the non-filing of the licencing of a trademark shall not be contested against a good faith third-party. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. Without the permission of the trademark registrant, the use of a trademark identical or similar to the registered trademark on the same type of goods, or the use of a trademark identical or similar to the registered trademark on similar goods, which is likely to cause confusion, shall be regarded as an infringement of the exclusive right to use the registered trademark.

Patents

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the Standing Committee of the NPC on 12 March 1984 and last amended on 17 October 2020 and implemented on 1 June 2021, and its implementation rules (《中華人民共和國專利法實施細則》), which were promulgated by the China Patent Office on 19 January 1985 and last amended by the State Council on 11 December 2023 and implemented on 20 January 2024, the term invention creation under the Law refers to "invention," "utility model" and "design." "Invention" refers to any new technical solution in relation to a product, or a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of colour, shape and pattern. The patent administration department of the State Council is responsible for the administration of patents throughout the country; it uniformly accepts and examines patent applications and grants patents in accordance with the law. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is 10 years and that of a "design" is 15 years, from the date of application.

A patentable invention or utility model must be novel, inventive and practical. The design for which a patent is granted shall not be an existing design, and the design for which the patent right is granted shall be distinctly different from the prior design or a combination of features of the prior design. The rights of patent holders are protected by law, allowing others to use the patent only if it is properly authorised. Except as provided by law, the exploitation of a patent without the permission of the patentee constitutes patent infringement.

Domain Names

Pursuant to the Administrative Measures of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on 24 August 2017 and implemented on 1 November 2017, and the Implementing Rules for the Registration of National Top Level Domain Names (《國家頂級域名註冊實施細則》) and the Rules for Dispute Resolution of National Top Level Domain Names (《國家頂級域名爭議解決規則》) promulgated by the China Internet Network Information Centre on 18 June 2019 and implemented on the same date, the principle of "first apply, first register" is applied to domain name registration services, subject to any

other provisions in the implementation details of the corresponding domain name registrations. The maximum validity period of a domain name registration shall not exceed ten years. If a domain name is renewed, the maximum period of validity shall not exceed ten years from the date of renewal to the expiry date of the renewed domain name, except in the case of automatic renewal due to a change in the registration service provider. The applicant is deemed to be the holder of the domain name upon completion of the domain name registration. Domain name disputes shall be handled and resolved by a domain name dispute resolution body recognised and authorised by China Internet Network Information Centre.

According to the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) issued by the Ministry of Industry and Information Technology on 27 November 2017 and implemented on 1 January 2018, the domain names used by internet information service providers for engaging in internet information services shall be registered as their own in accordance with laws and regulations. Internet access service providers shall check the identity of internet information service providers in accordance with the requirements of relevant laws. If the internet information service provider does not provide true identity information, the internet access service provider shall not provide services for it.

Regulations relating to Real Estate

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the National People's Congress on 28 May 2020, which took effect on 1 January 2021, the creation, change, transfer and cancellation of real estate rights shall be effective upon registration in accordance with the law, and shall not be effective without registration, unless otherwise provided by law. The registration of real estate shall be carried out by the registration organisation where the real estate is located. The State implements a unified registration system for real estate, and the scope of unified registration, registration organisations and registration methods shall be prescribed by laws and administrative regulations.

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) promulgated by the Standing Committee of the National People's Congress on 25 June 1986, last amended on 26 August 2019 and implemented on 1 January 2020, construction entities acquiring land use right in respect of state-owned land at a consideration such as by way of grant of land shall pay land use fee and other fees such as land grant premium in accordance with the standards and rules stipulated by the State Council before using such land. Construction entities shall use state-owned land according to the stipulations of the land use right assignment and other compensated use contract or according to the provisions of the approval documents relevant to the allocation of land use rights. The conversion of the construction purposes of the land shall receive the consent of the competent department of natural resources of the relevant people's government and be submitted to the people's governments that originally granted land use approval. Among which, when changing the purpose of land within urban planning areas, consent shall be obtained from the relevant urban planning administration department before submission.

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on 1 November 1997 and latest amended and implemented on 23 April 2019, prior to the commencement of construction work, the construction entity shall apply to the construction administrative authority of the people's government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without acceptance or with unqualified acceptance. A construction project which has already obtained approvals for its construction commencement report pursuant to the terms of reference and procedures prescribed by the State Council is no longer required to obtain a commencement of construction work permit. The construction entity shall start to build the projects within three months since obtaining the

Construction Permit. Should the constructing entity fail in starting the construction work as scheduled, they shall apply for extension with the construction authority. Application for extension shall be limited to twice and each extension period shall be no more than three months. Upon failure in commencing the construction work as scheduled without application for extension or excess of such application or expiration of the extension period, the Construction Permit shall automatically become null and void.

REGULATIONS ON LABOUR

Labour

Pursuant to the Labour Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on 5 July 1994 and latest amended and implemented on 29 December 2018, labourers have the right to be employed on an equal basis, choose occupations, obtain remunerations for labour, take rests, have holidays and leaves, receive labour safety and sanitation protection, get training in professional skills, enjoy social insurance and welfare treatment, and submit applications for settlement of labour disputes, and other labour rights stipulated by law. An employer shall develop and improve its rules and regulations in accordance with the law to safeguard the rights of its workers.

Pursuant to the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, latest amended on 28 December 2012 and implemented on 1 July 2013, and the Implementation Regulations of the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on 18 September 2008 and implemented on the same date, the Law is applicable to the conclusion, performance, alteration, cancellation or termination of a labour contract between employers such as enterprises and labourers in the PRC. When an employer recruits any employees, such employer must inform the employees of the work content, work conditions, work place, occupational hazards, safety conditions and labour compensations, and any other information that the workers may request. When establishing a labour relationship, a written labour contract shall be concluded. A labour contract shall contain the following provisions: the name, residence and legal representative or principal person in charge of the employer; the name, address and number of the resident's identity card or other valid identity document of the worker; the duration of the labour contract; the content and location of the work; the hours of work and rest and leave; remuneration for the work; social insurance; protection of the work, the conditions of the work and the protection against occupational hazards; and other matters that shall be included in the labour contract as stipulated by laws and regulations.

Social Insurance and Housing Provident Fund

In accordance with the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on 28 October 2010 and latest amended and implemented on 29 December 2018, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and latest amended and implemented on 24 March 2019, the State establishes social insurance systems such as basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance and maternity insurance, and employees shall participate in basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance and maternity insurance, with the employer and the employee jointly paying the basic pension, medical and unemployment insurance premiums, and with the employer paying the premiums for occupational injury and maternity insurance, and with the employee not paying the premiums for occupational injury and maternity insurance.

In accordance with the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), employers are required to register for social insurance at the same time as they register. If an employer fails to register its employees for social insurance, the

social insurance agency shall approve the social insurance premiums to be paid by the employer. Employers who failed to complete social security registration shall be ordered by the social security administrative authorities to make correction within a stipulated period; where correction is not made within the stipulated period, the employer shall be subject to a fine ranging from one to three times the amount of the social security premiums payable, and the person(s)-in-charge who is/are directly accountable and other directly accountable personnel shall be subject to a fine ranging from RMB500 to RMB3,000. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Under the Regulations on the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》), which was promulgated by the State Council on 3 April 1999 and latest amended and implemented on 24 March 2019, foreign-invested enterprises, urban private enterprises and other units shall make contribution registration with the housing provident fund management centre and complete the formalities of opening housing provident fund accounts for its employees. Units should always contribute to the housing provident fund on time and in full, and should not make late or underpayment. Where an employer fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management centre shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Where an employer is overdue in the payment of, or underpays, the housing provident fund, the housing provident fund management centre shall order it to make the payment within a prescribed time limit; where the payment has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

According to the Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated by the Supreme People's Court on 31 July 2025 and implemented on 1 September 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the PRC, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of PRC (《中華人民共和國企業所得税法》), which was promulgated by the SCNPC on 16 March 2007, as last amended and implemented on 29 December 2018, and the Implementation Rules for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on 6 December 2007, as amended on 6 December 2024, and implemented on 20 January 2025, enterprises are classified as either resident enterprises or non-resident enterprises. A resident enterprise refers to an enterprise that is established in the PRC in accordance with the laws, or that is established in accordance with the laws of foreign countries (region) but whose actual administration is within the PRC. A non-resident enterprise refers to an enterprise that is established in accordance with the laws of foreign countries (region) and whose actual administration is conducted outside the PRC, but who

established institutions in the PRC, or who has established no institutions in the PRC but derives income from the PRC. Resident enterprises are subject to EIT rate of 25% on their income derived from gains within and outside the PRC. For qualified small low-profit enterprises, a reduced EIT rate of 20% is applied. A high-tech enterprise which is supported by the PRC may be entitled to a reduced EIT rate of 15%.

According to the Administrative Measures for Recognition of High and New-Technology Enterprises (《高新技術企業認定管理辦法》) that was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on 14 April 2008, amended on 29 January 2016 and came into effect on 1 January 2016, the high and new-technology enterprises referred to in the Measures refer to resident enterprises registered in China (excluding Hong Kong, Macao and Taiwan) that continuously engage in research and development and transformation of technological achievements in the high and new-technology fields supported by China and form the core proprietary intellectual property rights of the enterprises, and carry out business activities on this basis. High and new-technology enterprises recognised under the Measures may apply for the enjoyment of preferential tax policies in accordance with the relevant provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) and its implementing regulations and the Law of the PRC on the Administration of Tax Collection (《中華人民共和國税收徵收管理法》) and its implementing rules. The Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation are responsible for the guidance, management and supervision of the work of recognising high and new-technology enterprises in China. The qualification of a high and new technology enterprise shall be valid for a term of three years commencing on the date of the issuance of the certificate. After obtaining the recognition of high and new technology enterprise, the enterprise will enjoy the preferential tax from the year in which the certificate of high and new technology enterprise is issued, and may apply for preferential tax from the competent tax authorities.

Value-added Tax

The Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), adopted on 25 December 2024 by the NPC Standing Committee and effective from 1 January 2026, stipulates that entities and individuals that sell goods, services, intangible assets, or immovable property within China, as well as those that import goods, are taxpayers of value-added tax (VAT) and shall pay VAT in accordance with the law. The tax rate for taxpayers selling goods or importing goods is generally 13%. The tax rate for taxpayers selling or importing agricultural products is 9%. The tax rate for taxpayers selling services or intangible assets is generally 6%. The tax rate for taxpayers exporting goods is zero, unless otherwise stipulated by the State Council. The tax rate for cross-border sales by domestic entities and individuals of services and intangible assets within the scope stipulated by the State Council is zero. The collection rate for VAT calculated and paid using the simplified assessment method is 3%.

Urban Maintenance and Construction Tax

In accordance with Law of the People's Republic of China on Urban Maintenance and Construction Tax (《中華人民共和國城市維護建設税法》) which was promulgated by Standing Committee of National Peoples Congress on 11 August 2020, effective from 1 September 2021 and the Notice of the State Council on Extending the Urban Maintenance and Construction Tax and Educational Surcharges from Chinese to Foreign-funded Enterprises and Citizens (《關於統一內外資企業和個人城市維護建設税和教育費附加制度的通知》) which was promulgated by the State Council on 18 October 2010 and effective from 1 December 2010, entities and individuals which are subject to VAT and consumption tax shall pay urban maintenance and construction tax. The tax rate is 7% for a taxpayer who is domiciled in a downtown area, and 5% for a taxpayer who is domiciled in a county or town, and 1% for a taxpayer who is domiciled outside a downtown area, county or town.

Educational Surcharges

Pursuant to the Interim Provisions on the Collection of Educational Surcharges (《徵收教育費附加的暫行規定》) promulgated by the State Council on 28 April 1986, last amended on 8 January 2011 and effective from 8 January 2011, entities and individuals obliged to pay consumption tax, value-added tax and business tax shall pay educational surcharges (unless otherwise specified). Educational surcharges shall be collected on the basis of the amount of value-added tax, business tax or consumption tax actually paid by such entities and individuals, collected at the rate of 3%, and paid simultaneously with value-added tax, business tax or consumption tax. Educational surcharges paid by enterprises are always paid out of sales revenue (or operating income).

Dividend Distribution

Pursuant to the Company Law of the People's Republic of China promulgated by the SCNPC on 29 December 1993, latest amended on 29 December 2023 and implemented on 1 July 2024, a company, when distributing its after-tax profit for the year, shall withdraw 10% of the profit to be included in the company's statutory provident fund until the cumulative amount of the statutory provident fund reaches 50% of the company's registered capital, and if the company's statutory provident fund is insufficient to cover losses of previous years, it shall use the profit in the current year to cover the loss before withdrawing the statutory provident fund. The after-tax profit of a company after making up losses and withdrawing reserves shall be distributed to limited liability companies in proportion to the paid-in capital of the shareholders, unless all shareholders have agreed not to distribute the profit in proportion to their capital contributions, and to companies limited by shares in proportion to the shares held by the shareholders, unless otherwise specified under the articles of association.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and relevant protocols, which was promulgated by State Administration of Taxation on 21 August 2006 and came into effect on 8 December 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in the PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to Issuing the Measures for Non-resident Taxpayers' Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》) which was promulgated by the State Administration of Taxation on 14 October 2019 and will become effective on 1 January 2020, non-resident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. A non-resident taxpayer may enjoy the preferential tax treatment at the time of tax return filings or withholding declaration through a withholding agent if it determines that it is eligible for the preferential tax treatment keeps and documents relevant information for future inspection in accordance with the regulations under the treaties, subject to the relevant follow-up administration by the tax authority.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

The Foreign Exchange Control Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》), promulgated by the State Council on 29 January 1996, and latest amended on 5 August 2008, with the latest revision effective on the same date, a domestic institution or individual that makes direct investment or issues or trades negotiable securities or derivative products overseas shall go through the registration formalities at the SAFE. If a prior approval or filing of a competent department is required by relevant state provisions, the approval or filing process must be completed before handling the foreign exchange registration formalities. Foreign currency payments under the capital account items (such as share capital transfer, direct investment, securities investment, derivatives or loan) shall, in accordance with the provisions of the SAFE relating to payment and purchase of foreign exchange, be made out of payer's own foreign currency funds or be made with

foreign currency purchased from any financial institution engaged in foreign currency settlement and sales business with valid documentation and, where an approval from the relevant foreign exchange administrative authority is required in accordance with the PRC provisions, the relevant approval shall be obtained before the foreign exchange payment is made.

Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by People's Bank of China and the SAFE on 24 December 2025 and effective on 1 April 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration. In principle, funds raised by domestic enterprises through overseas listings shall be remitted back to the territory in a timely manner. Where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the business competent authorities before the date of completion of the overseas issuance or the over-allotment option, and shall comply with relevant cross-border funds administration provisions.

REGULATIONS RELATING TO STOCK INCENTIVE PLANS

Pursuant to the Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) promulgated by the SAFE on 15 February 2012, individuals participating in the same overseas listed company's share incentive scheme should, through their domestic companies, entrust one domestic agent (hereinafter referred to as the domestic agent) to centralise the handling of foreign exchange registration, account opening, fund transfer and exchange, etc., and one overseas institution (hereinafter referred to as the overseas trustee) to centralise the handling of the exercise of rights, purchase and sale of corresponding shares or interests, and the transfer of the corresponding funds. Individuals may participate in the Share Incentive Scheme with their own foreign exchange or domestic legal funds such as Renminbi in their personal foreign exchange savings account. After the repatriation of the foreign exchange income derived from an individual's participation in the Equity Incentive Scheme, the domestic agent shall, on the basis of the relevant written application, proof of foreign exchange registration of the Equity Incentive Scheme, foreign exchange transaction certificates, etc., have the funds transferred by the bank from the domestic dedicated foreign exchange account of the domestic agent into the corresponding personal foreign exchange savings account, and shall manage and utilise such funds in accordance with the relevant provisions of the personal foreign exchange savings account.

REGULATIONS RELATING TO THE H-SHARE FULL CIRCULATION

Pursuant to the Guidelines for H-Share Companies on Applying for Full Circulation of Domestic Unlisted Shares (《H股公司境內未上市股份申請全流通業務指引》) promulgated by the CSRC on 14 November 2019, revised on 10 August 2023 and with effect from the same date, subject to compliance with relevant laws and regulations as well as policies concerning State-owned asset management, foreign investments and industry regulation, holders of domestic unlisted shares may independently determine the quantity and proportion of shares for which they apply for circulation through mutual consultation and shall entrust the H-share company to complete the filing with the CSRC. Domestic joint-stock companies that are not yet going public may submit the filing for "full circulation" to the CSRC concurrently on their initial overseas public offering and listing.

Holders of domestic unlisted shares shall, in accordance with the relevant business rules of China Securities Depository and Clearing Corporation Limited (the "**CSDC**"), complete the share transfer registration procedures, fulfill the processes for share registration and listing in compliance with the relevant regulations of the Hong Kong market and conduct information disclosure in

accordance with applicable laws and regulations. Once the domestic unlisted shares are listed and circulated on the Hong Kong Stock Exchange, they may not be transferred back to the domestic market. Holders of domestic unlisted shares may increase or reduce their holdings of the shares traded on the Hong Kong Stock Exchange in accordance with the relevant business rules. A domestic enterprise that has issued securities overseas shall submit a relevant status report to the CSRC within 15 days after the underlying shares have completed the transfer registration with the CSDC.

The Guidelines for the 'Full Circulation' Program of H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) promulgated by Shenzhen Branch of the CSDC on 20 September 2024, revised on 27 June 2025 and with effect from 30 June 2025 clearly provides for business arrangements and procedures related to H-share full circulation, including business preparation, cross-border share transfer registration, overseas depository of shares and initial maintenance and change in maintenance of domestic shareholding details, corporate behavior processing, clearing and settlement, risk management and business charges.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

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 2012, we identified that silver paste manufacturers in the PRC who supplied silver paste for PV applications procured most of their silver powder from outside the PRC. As a result of this gap in the domestic market, 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. Over the years, under the leadership of Mr. Chen and the continued commitments of our executive Directors and members of our senior management, we have been a prominent silver powder supplier in China with over a decade of operational experience and integrated research, development, production, and sales capabilities. 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.

BUSINESS MILESTONES

The following is a summary of our Group's key business development milestones:

Year	Milestone
2010	Janbon Colloidal Materials, our operating subsidiary, was established in the PRC
2012	We commenced the research and development and the commercial production of PV silver powder and became one of the earliest companies and a pioneer in China to invest in and focus on this field
	We innovatively introduced Vitamin C as the reducing agent in the industrial production of silver powder using the liquid-phase reduction method
2014	We constructed one of China's earliest silver powder production lines using proprietary technology
2015	We were granted the Certificate for High and New Technology Enterprise (高新技術企業證書) issued by the Department of Science and Technology of Shandong Province* (山東省科學技術廳), the Department of Finance of Shandong Province* (山東省財政廳) and the Shandong Provincial Taxation Bureau* (山東省税務局)
2018	We obtained the recognition of Jinan Engineering Laboratory — Electronic Grade High Purity Silver Powder Engineering Laboratory (濟南市工程實驗室 — 電子級高純銀粉工程實驗室) from the Jinan Municipal Development and Reform Commission* (濟南市發展和改革委員會)
2019	We upgraded our silver powder production process system comprehensively
	We became one of the first enterprises in the industry to achieve industrial production with a single batch yield of over 100kg of silver powder

Year	Milestone
2021	We were recognised as "Specialised, Refined, Unique, and New" Small and Medium-sized Enterprise of Shandong Province (山東省「專精特新」中小企業) by the Department of Industry and Information Technology of Shandong Province* (山東省工業和信息化廳)
2023	We completed the adaption of our silver powder products to the transition from PERC to TOPCon cells and the utilisation of nanosized silver powder in HJT cells
	We obtained the recognition of Shandong Province Electronic Grade Metal Powder Functional Materials Engineering Research Centre (山東省電子級金屬粉體功能材料工程研究中心) from the Shandong Provincial Development and Reform Commission* (山東省發展和改革委員會)
	We were recognised as 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) by the Department of Industry and Information Technology of Shandong Province* (山東省工業和信息化廳)
2024	We were recognised as Jinan Enterprise Technology Centre (濟南市企業技術中心) by the Jinan Municipal Bureau of Industry and Information Technology* (濟南市工業和信息化局)
2025	Our Company was established in the PRC.
	We launched new silver powder series, including *152–18*, *152–2010M* and *168–20*.
	Our nano silver powder entered mass production for high-copper paste applications.
	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.
2026	Our Company was converted into a joint stock company with limited liability in the PRC and renamed as Jinan Janbon Metallic Materials Co., Ltd. (濟南建邦金屬材料股份有限公司).

OUR CORPORATE DEVELOPMENTS

Our Company

Our Company was established in the PRC as a limited liability company in February 2025 and further converted into a joint stock company with limited liability in June 2026. For further details, please refer to "— Historical Offshore Structure — (2) Establishment of Our Company and Acquisition of Janbon Colloidal Materials by Our Company" and "— Unwinding of Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company" below in this section.

Our Operating Subsidiary

We conduct our business through our operating subsidiary, namely, Janbon Colloidal Materials, in the PRC. Details of the major corporate developments including major shareholding changes of Janbon Colloidal Materials are set out below.

(1) Establishment of Janbon Colloidal Materials

Janbon Colloidal Materials[(1)] was established in the PRC on 26 March 2010 as a limited liability company with an initial registered capital of RMB10,000,000. The shareholding structure of Janbon Colloidal Materials upon establishment is set forth in the table below:

Shareholders	Registered capital subscribed for *(RMB)*	Approximate corresponding equity interest *(%)*
Shandong Meilin Investment Co., Ltd.* (山東美林投資有限公司)[(2)]	9,700,000	97.00
Mr. Zhou Yong (周勇)[(3)(4)]	300,000	3.00
Total	**10,000,000**	**100**

Notes:

(1) At the time of its establishment, Janbon Colloidal Materials was known as Shandong Anfeng Economic and Trading Co., Ltd.* (山東安豐經貿有限公司) and subsequently changed its name into Janbon Colloidal Materials in December 2012.

(2) Shandong Meilin Investment Co., Ltd. subsequently changed its name into Shandong Jianbang Group Co., Ltd.* (山東建邦集團有限公司) ("Jianbang Group") in April 2010, which was ultimately controlled by Mr. Chen Jian (陳箭), father of Mr. Chen, an executive Director, the Chairman of our Board and Controlling Shareholder of our Company, at the time of its investment in Janbon Colloidal Materials. Therefore, Mr. Chen Jian had indirectly controlled Janbon Colloidal Materials through Jianbang Group from the establishment of Janbon Colloidal Materials in March 2010 to July 2014, during the period when Jianbang Group was a controlling shareholder of Janbon Colloidal Materials.

Mr. Chen Jian, prior to his exit on 27 July 2022 pursuant to the succession arrangement with Mr. Chen, acted solely as the ultimate beneficial owner of Janbon Colloidal Materials and did not hold any directorship or management position, nor acted in any other role or capacity within the Group, nor was he involved in the day-to-day operations, strategic decision-making, or have any other responsibilities in the Group. For further details, please refer to" — (5) Equity Transfer in July and August 2022 and Capital Increase in December 2022" below in this section.

(3) Mr. Zhou Yong is an executive Director and General Manager of our Company. For more details, please refer to the section headed "Directors and Senior Management" in this Document.

(4) As confirmed with Mr. Zhou Yong and Mr. Chen Jian, in order to promote corporate development and facilitate future financing needs, Mr. Zhou Yong held the equity interest of Janbon Colloidal Materials as the nominee for Mr. Chen Jian from March 2010 to December 2014 (the "2010 Entrustment Arrangement") and Mr. Zhou Yong did not receive any remuneration for the 2010 Entrustment Arrangement and did not receive any dividends or other economic returns which were retained by Mr. Chen Jian and/or Jianbang Group. Our PRC Legal Adviser is of the view that the 2010 Entrustment Arrangement does not violate the relevant PRC laws and regulations.

(2) Capital Increase in April 2013 and Equity Transfer in July 2014

Pursuant to the shareholders' resolution of Janbon Colloidal Materials passed in April 2013, the registered capital of Janbon Colloidal Materials was increased from RMB10,000,000 to RMB30,000,000, and Jianbang Group agreed to subscribe for the increased registered capital of RMB20,000,000. The aforementioned capital increase was completed on 17 April 2013, at a cash consideration of RMB20,000,000 with reference to the registered capital of Janbon Colloidal Materials at the time. Subsequently, Janbon Colloidal Materials was owned as to 99% by Jianbang Group and 1% by Mr. Zhou Yong[(1)].

On 1 July 2014, as part of a corporate restructuring between Jianbang Group and its related companies, Jianbang Group entered into an equity transfer agreement with Shandong Jianbang Energy Co., Ltd.* (山東建邦能源有限公司) ("Jianbang Energy")[2], pursuant to which Jianbang Group agreed to transfer 99% equity interest in Janbon Colloidal Materials to Jianbang Energy at a cash consideration of RMB29,700,000, which was determined with reference to the paid up registered capital at the time. The aforementioned equity transfer was completed on 11 July 2014. The shareholding structure of Janbon Colloidal Materials upon completion of the equity transfer is set forth in the table below:

Shareholders	Registered capital subscribed for (RMB)	Approximate corresponding equity interest (%)
Jianbang Energy[2]	29,700,000	99.00
Mr. Zhou Yong[1]	300,000	1.00
Total	**30,000,000**	**100**

Notes:

(1) Mr. Zhou Yong is the nominee for Mr. Chen Jian pursuant to the 2010 Entrustment Arrangement.

(2) Jianbang Energy is a limited liability company established in the PRC, which was ultimately controlled by Mr. Chen Jian at the time of its investment in Janbon Colloidal Materials. Therefore, Mr. Chen Jian indirectly controlled Janbon Colloidal Materials through Jianbang Energy from July 2014 to November 2017, during the period when Jianbang Energy was a controlling shareholder of Janbon Colloidal Materials.

(3) Equity Transfer in December 2014

On 1 December 2014, in order to facilitate internal management of Janbon Colloidal Materials, Mr. Zhou Yong entered into an equity transfer agreement with Mr. Zhang Hailing (張海嶺)[1], pursuant to which Mr. Zhou Yong agreed to transfer 1% equity interest in Janbon Colloidal Materials to Mr. Zhang Hailing[1] at the consideration of RMB300,000. Such consideration was not actually paid as both Mr. Zhou Yong and Mr. Zhang Hailing held the relevant equity interest of Janbon Colloidal Materials as the nominees for Mr. Chen Jian and the transfer was made at the request of Mr. Chen Jian. As advised by our PRC Legal Adviser, such non-payment of the consideration does not affect the legality and validity of the equity transfer. The aforementioned equity transfer was completed on 16 December 2014. The shareholding structure of Janbon Colloidal Materials upon completion of the equity transfer is set forth in the table below:

Shareholders	Registered capital subscribed for (RMB)	Approximate corresponding equity interest (%)
Jianbang Energy	29,700,000	99.00
Mr. Zhang Hailing[1]	300,000	1.00
Total	**30,000,000**	**100**

Note:

(1) As confirmed with Mr. Zhang Hailing and Mr. Chen Jian, Mr. Zhang Hailing held the equity interest of Janbon Colloidal Materials as the nominee for Mr. Chen Jian from December 2014 to October 2017 (the "2014 Entrustment Arrangement"). As such, the 2010 Entrustment Arrangement entered into between Mr. Zhou Yong and Mr. Chen Jian was released. Our PRC Legal Adviser is of the view that the 2014 Entrustment Arrangement does not violate the relevant PRC laws and regulations.

(4) Capital Increase in November 2015 and Equity Transfer in October 2017

Pursuant to the shareholders' resolution of Janbon Colloidal Materials dated 30 October 2015, the registered capital of Janbon Colloidal Materials was increased from RMB30,000,000 to RMB35,000,000, and Jianbang Energy agreed to subscribe for the increased registered capital of RMB5,000,000. The aforementioned capital increase was completed on 13 November 2015, at a cash consideration of RMB5,000,000 with reference to the registered capital of Janbon Colloidal Materials at the time. Subsequently, Janbon Colloidal Materials was owned as to 99.14% by Jianbang Energy and 0.86% by Mr. Zhang Hailing as the nominee for Mr. Chen Jian under the 2014 Entrustment Arrangement.

Pursuant to equity transfer agreements entered into by and between: (1) Shandong Jianbang Technology Development Group Co., Ltd.* (山東建邦科技發展集團有限公司) ("Jianbang Technology")[(1)] and Jianbang Energy; (2) Shandong Ruide Economy Development Co., Ltd.* (山東瑞德經濟發展有限公司) ("Ruide Economy")[(2)] and Jianbang Energy; and (3) Ruide Economy and Mr. Zhang Hailing, respectively, on 17 October 2017, (i) Jianbang Energy agreed to transfer 60% and 39.14% equity interest in Janbon Colloidal Materials to Jianbang Technology and Ruide Economy, respectively, at a cash consideration of RMB21,000,000 and RMB13,700,000 with reference to the paid up registered capital of Janbon Colloidal Materials at the time; and (ii) Mr. Zhang Hailing agreed to transfer 0.86% equity interest in Janbon Colloidal Materials to Ruide Economy at the consideration of RMB300,000, which was not actually paid as Mr. Zhang Hailing held the relevant equity interest of Janbon Colloidal Materials as the nominee for Mr. Chen Jian and Ruide Economy was ultimately controlled by Mr. Chen Jian and the transfer was made at his request. As advised by our PRC Legal Adviser, such non-payment of the consideration does not affect the legality and validity of the equity transfer. As such, the 2014 Entrustment Arrangement was released.

The aforementioned equity transfers were completed on 27 November 2017. The shareholding structure of Janbon Colloidal Materials upon completion of the equity transfers is set forth in the table below:

Shareholders	**Registered capital subscribed for** *(RMB)*	**Approximate corresponding equity interest** *(%)*
Jianbang Technology[(1)]	21,000,000	60.00
Ruide Economy[(2)]	14,000,000	40.00
Total	**35,000,000**	**100**

Notes:

(1) Jianbang Technology is a limited liability company established in the PRC, which was ultimately controlled by Mr. Chen Jian at the time of its investment in Janbon Colloidal Materials.

(2) Ruide Economy is a limited liability company established in the PRC, which was ultimately controlled by Mr. Chen Jian at the time of its investment in Janbon Colloidal Materials.

(5) Equity Transfer in July and August 2022 and Capital Increase in December 2022

On 27 July 2022, as a succession arrangement between Mr. Chen Jian and Mr. Chen, Mr. Chen entered into equity transfer agreements with Jianbang Technology and Ruide Economy respectively, pursuant to which Jianbang Technology and Ruide Economy agreed to transfer all of their equity interest in Janbon Colloidal Materials to Mr. Chen at nil consideration, which was determined with reference to the negative net asset value of Janbon Colloidal Materials as of 30 June 2022.

Upon completion of the aforementioned equity transfers on 29 July and 12 August 2022, respectively, the equity interest in Janbon Colloidal Materials was wholly-owned by Mr. Chen and the Group became independent of Mr. Chen Jian.

Pursuant to the shareholder's resolution of Janbon Colloidal Materials dated 1 December 2022, the registered capital of Janbon Colloidal Materials was increased from RMB35,000,000 to RMB75,000,000, and Mr. Chen agreed to subscribed for the increased registered capital of RMB40,000,000, at a cash consideration of RMB40,000,000 with reference to the registered capital of Janbon Colloidal Materials at the time. The aforementioned capital increase was completed on 20 December 2022.

(6) The PRC Employee Shareholding Platform and Capital Increase in March 2023

In order to provide incentives and rewards to the employees of our Group, on 2 March 2023, Janbon Colloidal Materials adopted the 2023 Employee Shareholding Incentive Plan, pursuant to which 32 employees were granted equity interest of Janbon Colloidal Materials through the PRC employee shareholding platform, namely Jinan Weilanwan Commercial Service, LP* (濟南蔚藍灣商務服務合夥企業(有限合夥)) ("Jinan Weilanwan")[(1)]. Ms. Meng Haiqing (孟海清)[(2)], acting as the sole general partner, and other 31 employees of our Group, acting as limited partners, were granted partnership interest in Jinan Weilanwan.

Pursuant to the 2023 Employee Shareholding Incentive Plan and the shareholder's resolution dated 2 and 27 March 2023 respectively, the registered capital of Janbon Colloidal Materials increased from RMB75,000,000 to RMB80,436,900 and Jinan Weilanwan agreed to subscribe for the increased registered capital of RMB5,436,900 at a cash consideration of RMB5,436,900 with reference to the registered capital of Janbon Colloidal Materials at the time. Such consideration was fully settled on 29 March 2023.

The aforementioned capital increase was completed on 3 April 2023. The shareholding structure of Janbon Colloidal Materials upon completion of the capital increase is set forth in the table below:

Shareholders	**Registered capital subscribed for** *(RMB)*	**Approximate corresponding equity interest** *(%)*
Mr. Chen	75,000,000	93.24
Jinan Weilanwan[(1)]	5,436,900	6.76
Total	**80,436,900**	**100**

Notes:

(1) Jinan Weilanwan is a limited partnership established in the PRC on 6 March 2023, managed by its sole general partner Ms. Meng Haiqing (our executive Director and Chief Financial Officer), and held by 32 individuals, namely, Mr. Zhou Yong (our executive Director and General Manager), Ms. Meng Haiqing, Mr. Chen Bo (陳波), Mr. Liu Xiaoyong (劉小勇), Mr. Luo Weiwei (駱偉偉), Mr. Tian Kui (田奎) and Mr. Zhao Qingliang (趙慶亮) (who are members of our senior management) and 25 other employees of our Group. Ms. Meng Haiqing held 0.18% partnership interest in Jinan Weilanwan. Mr. Zhou Yong held 28.69% partnership interest and Mr. Chen Bo held 47.82% partnership interest in Jinan Weilanwan. Save for Mr. Zhou Yong and Mr. Chen Bo, none of the limited partners held more than 5% partnership interest in Jinan Weilanwan. As of the Latest Practicable Date, (i) each of the partners of Jinan Weilanwan is an employee of our Group; and (ii) other than Mr. Zhou Yong and Ms. Meng Haiqing, each of the partners of Jinan Weilanwan is an independent third party.

(2) Ms. Meng Haiqing is an executive Director and Chief Financial Officer of our Company. For more details, please refer to the section headed "Directors and Senior Management" in this Document.

Pursuant to the shareholders' resolution of Janbon Colloidal Materials dated 10 March 2025, the relevant employee shareholding interest under the 2023 Employee Shareholding Incentive Plan was reflected, collectively, in the shareholders' agreements of Wonder Particle Limited and Silver Ocean Limited due to the Reorganisation we underwent between November 2024 and April 2025. Between April and July 2026, we underwent the unwinding of the offshore structure as elaborated below and the interests held by the 32 employees of our Group in Wonder Particle or Silver Ocean have been again held through Jinan Weilanwan. The principal terms of the 2023 Employee Shareholding Incentive Plan are set out in the section headed "Appendix VI — Statutory and General Information — D. 2023 Employee Shareholding Incentive Plan".

(7) Capital Increase in April 2023

Pursuant to the subscription agreement entered into between Janbon Colloidal Materials and Jinan Xinchen Huizhi Business Management Service, LP* (濟南鑫辰匯智企業管理服務合夥企業(有限合夥)) ("Xinchen Huizhi")[(1)] and the shareholders' resolution of Janbon Colloidal Materials dated 28 April 2023, the registered capital of Janbon Colloidal Materials was increased from RMB80,436,900 to RMB84,376,900, and Xinchen Huizhi agreed to subscribe for the increased registered capital of RMB3,940,000 at a cash consideration of RMB11,032,000 determined based on arm's length negotiation between the parties with reference to the net profits of Janbon Colloidal Materials for the year ended 31 December 2022 as the basis. Such consideration was fully settled on 5 May 2023. The aforementioned capital increase was completed on 6 May 2023. The shareholding structure of Janbon Colloidal Materials upon completion of the capital increase is set forth in the table below:

Shareholders	**Registered capital subscribed for** *(RMB)*	**Approximate corresponding equity interest** *(%)*
Mr. Chen	75,000,000	88.89
Jinan Weilanwan	5,436,900	6.44
Xinchen Huizhi[(1)(2)]	3,940,000	4.67
Total	**84,376,900**	**100**

Notes:

(1) Xinchen Huizhi is a limited partnership established in the PRC on 25 April 2023 and managed by its sole general partner Mr. Zhang Wei (張偉) (our non-executive Director). At the time of its establishment, Xinchen Huizhi had one general partner Mr. Zhang Wei and 15 limited partners, among whom, each of Mr. Zhang Wei, Mr. An Pengxiao (安鵬嘯), and Ms. Tai Wenqian (台文倩) held 15.23% partnership interest, Mr. Hu Bo (胡博) held 6.09% partnership interest, Mr. Liu Hongde (劉洪德) held 5.08% partnership interest, and the other 11 limited partners (who as of the Latest Practicable Date no longer held any partnership interest in Xinchen Huizhi) altogether held 43.15% partnership interest in Xinchen Huizhi.

Between 8 August 2024 and 10 March 2025, 11 of the limited partners of Xinchen Huizhi at the time withdrew from the partnership and transferred all their subscribed capital, representing a total of 43.15% partnership interest in Xinchen Huizhi, to Mr. An Pengxiao. Additionally, Mr. Zhang Wei and Ms. Tai Wenqian each transferred their subscribed capital of RMB1,120,000 to Mr. An Pengxiao. All considerations were determined with reference to the registered capital of Xinchen Huizhi at the time. Upon completion of the aforementioned capital transfers and as of the Latest Practicable Date, Xinchen Huizhi was held by five individuals, namely, Mr. Zhang Wei, Mr. An Pengxiao, Ms. Tai Wenqian, Mr. Hu Bo and Mr. Liu Hongde, among whom, Mr. An Pengxiao held 78.68% partnership interest, Mr. Hu Bo held 6.09% partnership interest and each of Mr. Zhang Wei, Ms. Tai Wenqian and Mr. Liu Hongde held 5.08% partnership interest in Xinchen Huizhi.

(2) The subscription made by Xinchen Huizhi in April 2023 is a [REDACTED] Investment in our Group. For more details, please refer to "[REDACTED] Investments" in this section.

Historical Offshore Structure

Between November 2024 and April 2025, we underwent Reorganisation, established an offshore corporate structure to facilitate global fundraising and support our international business expansion. This primarily involved the following steps:

(1) Incorporation of Janbon Cayman, Janbon BVI and Janbon HK

On 12 December 2024, Janbon Cayman was incorporated as an exempted company with limited liability in the Cayman Islands. Upon the completion of issuance of shares of Janbon Cayman on the same date as its incorporation, the shareholding structure of Janbon Cayman was as follows:

Shareholders	Number of Shares	Shareholding Percentage (%)
Cerulean Harbor Limited[(1)(2)]	88,886,900	88.89
Wonder Particle Limited[(3)]	5,256,425	5.26
Silver Ocean Limited[(3)]	1,187,175	1.19
Magic Galaxy Limited[(4)]	4,669,500	4.67
Total	**121,773,015**	**100**

Notes:

(1) On 15 November 2024, Cerulean Harbor Limited was incorporated in the BVI with limited liability as a special purpose vehicle, which was indirectly wholly-owned by Mr. Chen through Azure Harbour Limited, a company incorporated in the BVI with limited liability on 23 October 2024. On the date of Janbon Cayman's incorporation, Janbon Cayman allotted and issued (i) one share at par value of HK$0.000001 to the initial subscriber, which was then transferred to Cerulean Harbor Limited at par value; and (ii) further 88,886,899 shares to Cerulean Harbor Limited.

(2) On 24 January 2025, Mr. Chen, as the settlor, protector and investment manager, established PoplarC Trust with Vistra Trust (Singapore) Pte. Limited acting as the trustee for succession planning purpose. Upon completion of the further issuance of shares by Cerulean Harbor Limited on 10 February 2025, Cerulean Harbor Limited was owned as to 99.00% by PoplarC Holding Limited (a company incorporated in the BVI with limited liability on 24 January 2025 and acting as a nominee which is wholly-owned by the PoplarC Trust) and 1.00% by Azure Harbor Limited, respectively. Pursuant to the PoplarC Trust, Vistra Trust (Singapore) Pte. Limited holds the equity interest in Janbon Cayman through PoplarC Holding Limited on trust for the benefit of Azure Harbor Limited. The voting rights held by Cerulean Harbor Limited in Janbon Cayman are directly controlled by its sole director, namely, Mr. Chen.

(3) In December 2024, Wonder Particle Limited and Silver Ocean Limited were incorporated in the BVI with limited liability as special purpose vehicles by 32 employees of our Group. The identities of the shareholders of Wonder Particle Limited and Silver Ocean Limited are the same as the partners of Jinan Weilanwan at the time. With a view to reflecting the 6.45% shareholding interests in Janbon Colloidal Materials held by Jinan Weilanwan at the level of Janbon Cayman, on the same date of its incorporation, Janbon Cayman allotted and issued (i) 5,256,425 shares to Wonder Particle Limited; and (ii) 1,187,175 shares to Silver Ocean Limited.

(4) On 2 December 2024, Magic Galaxy Limited was incorporated in the BVI with limited liability as a special purpose vehicle held by the six partners of Xinchen Huizhi at the time. To reflect the early investment made by Xinchen Huizhi in Janbon Colloidal Materials in April 2023, on the same date of incorporation of Janbon Cayman, Janbon Cayman allotted and issued 4,669,500 shares to Magic Galaxy Limited.

On 13 March 2025, Mr. Wu Zhiwei (武智偉) agreed to transfer all his shares as to 3.05% in Magic Galaxy to Mr. An Pengxiao. Upon completion of the aforementioned share transfer, Magic Galaxy is held by five individuals, and the identities of the shareholders of Magic Galaxy are the same as the partners of Xinchen Huizhi upon completion of a series of capital transfer between 8 August 2024 and 10 March 2025. Please refer to the notes to "Our Corporate Developments — Our Operating Subsidiary — (7) Capital Increase in April 2023" in this section.

On 23 December 2024, Janbon BVI was incorporated in the BVI with limited liability and directly wholly-owned by Janbon Cayman. On 21 January 2025, Janbon HK was incorporated in Hong Kong with limited liability and directly wholly-owned by Janbon BVI.

(2) Establishment of Our Company and Acquisition of Janbon Colloidal Materials by Our Company

On 25 February 2025, our Company was established in the PRC as a limited liability company with the name of Shandong Janbon Advanced Electronic Materials Co., Ltd.* (山東建邦高端電子材料股份有限公司) and an initial registered capital of RMB3,000,000 and directly wholly-owned by Janbon HK.

Pursuant to an equity transfer agreement dated 2 April 2025, our Company agreed to acquire the entire equity interest in Janbon Colloidal Materials held by Mr. Chen, Jinan Weilanwan and Xinchen Huizhi at a cash consideration of RMB126,478,429.86, RMB9,168,689.77 and RMB6,644,297.73, respectively. The considerations for such equity transfer were determined with reference to the appraised net asset value of Janbon Colloidal Materials as of 31 October 2024 and fully settled on 27 May 2025. The aforementioned equity transfer was registered on 2 April 2025 and Janbon Colloidal Materials became a wholly-owned subsidiary of our Company.

(3) Fundraising from Our [REDACTED] Investors

In April 2025, we received the meaningful financing from our [REDACTED] Investors at the level of Janbon Cayman. For further details, please refer to "[REDACTED] Investments" in this section. After completion of these [REDACTED] Investments and immediately before we unwound our offshore structure in 2026 (the "2026 Restructuring"), the shareholding structure of Janbon Cayman is set forth in the table below:

Shareholders	Number of Shares	Shareholding Percentage
		(%)
Cerulean Harbor Limited[(1)]	88,886,900	72.99
Wonder Particle Limited[(2)]	5,256,425	4.32
Silver Ocean Limited[(2)]	1,187,175	0.97
Magic Galaxy Limited[(3)]	4,669,500	3.83
Emerald Investment Limited[(4)]	6,076,473	4.99
AV China Holdings PCC Limited[(4)]	6,076,473	4.99
Capital Ally Holdings Limited[(4)]	5,966,879	4.90
Prospect Investment (BVI) Limited[(4)]	3,653,190	3.00
Total	**121,773,015**	**100**

Notes:

(1) During the 2026 Restructuring, all the shareholding controlled by Mr. Chen through Cerulean Harbor Limited at the level of Janbon Cayman was flipped down to our Company and subscribed for by Mr. Chen directly. For details, please refer to "Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company" below in this section.

(2) During the 2026 Restructuring, all the shareholding held by Wonder Particle Limited and Silver Ocean Limited collectively at the level of Janbon Cayman was flipped down to our Company and subscribed for by their onshore counterpart, Jinan Weilanwan. For details, please refer to "Our Operating Subsidiary — (6) The PRC Employee Shareholding Platform and Capital Increase in March 2023" above and "Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company" below in this section.

(3) During the 2026 Restructuring, all the shareholding held by Magic Galaxy at the level of Janbon Cayman was flipped down to our Company and subscribed for by their onshore counterpart, Xinchen Huizhi. For details, please refer to "Our Operating Subsidiary — (7) Capital Increase in April 2023" above and "Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company" below in this section.

(4) During the 2026 Restructuring, all the shareholding held by the [REDACTED] Investors (save for Magic Galaxy) at the level of Janbon Cayman was flipped down to our Company by transferring of the corresponding shareholding in our Company from Janbon HK to each of Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited. For details, please refer to "Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (2) Share Transfer in July 2026" below in this section.

Unwinding of the Offshore Structure and Further Corporate Development of Our Company

Between April and July 2026, for streamlining the shareholding structure of our Group, we underwent the following restructuring steps to flip down the shareholding at the level of Janbon Cayman to our Company and unwind our offshore corporate structure:

(1) Capital Increase in April 2026 and Conversion into Joint Stock Company

Pursuant to the shareholders' resolution of our Company passed on 22 April 2026, our registered capital was increased from RMB3,000,000 to RMB121,773,015. Janbon HK, Mr. Chen, Jinan Weilanwan and Xinchen Huizhi subscribed for the increased registered capital of RMB18,773,015, RMB88,886,900, RMB6,443,600 and RMB4,669,500 respectively, at par, with all amounts fully paid up as of 30 April 2026.

On 20 May 2026, the shareholders resolutions were passed to approve, among other matters, the conversion of our Company into a joint stock company with limited liability and rename our Company as Jinan Janbon Metallic Materials Co., Ltd. (濟南建邦金屬材料股份有限公司). Pursuant to the promoters' agreement entered into by all the Shareholders at the time on the even date, all promoters approved that (i) RMB121,773,015 out of the net assets value of our Company as of 30 April 2026, which was RMB171,029,905.14, was converted into 121,773,015 issued Shares of our Company; and (ii) the remaining amount of approximately RMB49,256,890.14 was converted into capital reserve. The conversion was completed on 9 June 2026. Immediately upon completion of the conversion, the registered capital of our Company was RMB121,773,015 divided into 121,773,015 Shares with nominal value of RMB1.00 per Share, which were subscribed by Mr. Chen, Jinan Weilanwan, Xinchen Huizhi and Janbon HK in proportion to their respective equity interests in our Company immediately prior to the conversion.

(2) Share Transfer in July 2026

To reflect the shareholdings of our [REDACTED] Investors (save for Magic Galaxy and its onshore counterpart Xinchen Huizhi) in Janbon Cayman at the level of our Company, pursuant to the share transfer agreement entered into by and between Janbon HK, Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited, Janbon HK agreed to transfer 6,076,473 Shares, 6,076,473 Shares, 5,966,879 Shares and 3,653,190 Shares in our Company to Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited at the considerations same as these [REDACTED] Investors paid during their initial investments in April 2025. For further details, please refer to "[REDACTED] Investments" in this section.

The aforementioned share transfer has been completed and the relevant considerations have been fully settled by 7 July 2026. The shareholding structure of our Company upon completion of the share transfer is set forth in the table below:

Shareholders	Number of Shares	Shareholding Percentage (%)
Mr. Chen	88,886,900	72.99
Jinan Weilanwan	6,443,600	5.29
Xinchen Huizhi	4,669,500	3.83
Emerald Investment Limited	6,076,473	4.99
AV China Holdings PCC Limited	6,076,473	4.99
Capital Ally Holdings Limited	5,966,879	4.90
Prospect Investment (BVI) Limited	3,653,190	3.00
Total	**121,773,015**	**100**

[REDACTED] INVESTMENTS

Information about the [REDACTED] Investors

Xinchen Huizhi

Xinchen Huizhi, a limited partnership established in the PRC on 25 April 2023 and managed by its sole general partner Mr. Zhang Wei, is primarily engaged in equity investment and currently owned by Mr. Zhang Wei, Mr. An Pengxiao, Mr. Hu Bo, Ms. Tai Wenqian and Mr. Liu Hongde as to 5.08%, 78.68%, 6.09%, 5.08% and 5.08%, respectively, all of whom are PRC citizens. Save for Mr. Zhang Wei who is our non-executive Director, all of the other four individual shareholders were independent third parties as of the Latest Practicable Date. Mr. Zhang Wei and the other four limited partners of Xinchen Huizhi are all employees of Jianbang Group, a previous shareholder of Janbon Colloidal Materials. They are all familiar with and appreciate the operation philosophy and operation mode of our Company. They invested in our Company through Xinchen Huizhi as they were optimistic about the prospect of the silver powder industry and our Group, and had confidence in our management team. For details regarding the investment through Xinchen Huizhi, please refer to "Our Corporate Developments — Our Operating Subsidiary — (7) Capital Increase in April 2023, and — Unwinding of the Offshore Structure and Further Corporate Development of Our Company — (1) Capital Increase in April 2026 and Conversion into Joint Stock Company" in this section.

AV China Holdings PCC Limited — AVCH Direct SV Cell

AV China Holdings PCC Limited, a company incorporated on 12 June 2012 in Guernsey, is wholly-owned by Aramco Ventures Company, a company established under the laws of the Kingdom of Saudi Arabia. Aramco Ventures Company is in turn wholly-owned by Saudi Arabian Oil Company (also known as Saudi Aramco), whose shares are listed on the Saudi Stock Exchange (TADAWUL: 2222), and is an independent third party as of the Latest Practicable Date. Saudi Aramco is one of the world's largest integrated energy and chemicals companies. AVCH Direct SV cell is a protected cell created by AV China Holdings PCC Limited on 31 July 2024. Our Company became acquainted with AV China Holdings PCC Limited in early 2024 through our business network.

Emerald Investment Limited

Emerald Investment Limited, a company incorporated on 16 May 2023 in the Cayman Islands, is primarily engaged in equity investment and is directly wholly-owned by JinkoSolar Investment Limited, a direct wholly-owned subsidiary of JinkoSolar Holding Co., Ltd., a company listed on the New York Stock Exchange (stock code: JKS) (together, "JinkoSolar"). JinkoSolar is a leading PV

module manufacturer in the world, which has equity investments in both up-streams and down-streams of the photovoltaic and energy storage industries, and an independent third party as of the Latest Practicable Date. Zhejiang Jinko New Materials Co., Ltd.* (浙江晶科新材料有限公司), a subsidiary of JinkoSolar and a customer of our Group during the Track Record Period, introduced JinkoSolar to our Group in January 2023.

Capital Ally Holdings Limited

Capital Ally Holdings Limited, a company incorporated on 21 March 2017 in the BVI, is primarily engaged in investment holding and is ultimately wholly-owned by Mr. Jiao Shuge, a Singaporean individual investor and an independent third party as of the Latest Practicable Date. Mr. Jiao has a broad range of experience in alternative asset management, private equity investment and corporate management. Mr. Jiao is a founding partner of CDH Investment Management Company Limited and currently serves as a director of that company, a non-executive director of WH Group Limited (a company listed on the Stock Exchange (stock code: 288)) and the chairman and a non-executive director of Mabpharm Limited (a company listed on the Stock Exchange (stock code: 2181)). Mr. Jiao is the chairman and an executive director of OCI International Holdings Limited (a company listed on the Stock Exchange (stock code: 329)), an independent director of Hisense Group Holdings Co., Ltd.* (海信集團控股股份有限公司) and Neusoft Medical Systems Co., Ltd.* (東軟醫療系統股份有限公司), and a director of Sirtex Medical (Hong Kong) Limited.

Mr. Jiao was a non-executive director from February 2004 to April 2012 and as an independent non-executive director from April 2012 to November 2021 of China Mengniu Dairy Company Limited (a company listed on the Stock Exchange (stock code: 2319)), and an independent non-executive director of China Southern Airlines Company Limited (a company listed on the Stock Exchange (stock code: 1055)) from June 2015 to April 2021. Mr. Jiao also served as a director of Henan Shuanghui Investment & Development Co., Ltd.* (河南雙匯投資發展股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000895)) from August 2012 to August 2021, a director of Hainan Poly Pharm Co. Ltd.* (海南普利製藥股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300630)) from July 2015 to April 2025, a director of Joyoung Company Limited* (九陽股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002242)) from September 2007 to April 2020, a non-executive director of China Yurun Food Group Limited (a company listed on the Stock Exchange (stock code: 1068)) from April 2005 to September 2012, a non-executive director of China Shanshui Cement Group Limited (a company listed on the Stock Exchange (stock code: 691)) from November 2005 to May 2014, and the chairman from March 2016 to May 2021, a general manager from February 2016 to March 2022 and a legal representative from February 2016 to February 2022 of Ningbo Akin Electronic Technology Co., Ltd.* (寧波亞錦電子科技股份有限公司) (a company listed on the National Equities Exchange and Quotations (stock code: 830806)). He served as the vice general manager of the direct investment department of China International Capital Corporation Ltd.* (中國國際金融有限公司) from December 1995 to August 2002.

Mr. Jiao was acquainted with Mr. Chen, an executive Director and the Chairman of our Board, through mutual friends over 10 years ago. Following several rounds of communication with Mr. Chen, Mr. Jiao invested in our Group as he was optimistic about the prospect of our Group and the management team in the silver powder industry.

Prospect Investment (BVI) Limited

Prospect Investment (BVI) Limited, a company incorporated on 15 December 2021 in the BVI, is primarily engaged in investment holding and is wholly-owned by Mr. Lu Ziye, a Hong Kong individual investor and an independent third party as of the Latest Practicable Date. Mr. Lu was acquainted with Mr. Chen through mutual friends around 10 years ago. Mr. Lu has previously been reviewing investments in the solar energy and the related industries. He invested in our Group as he was optimistic about the prospect of our Group and the management team in the silver powder industry.

Set forth is a summary of the [REDACTED] Investments in our Company:

[REDACTED] Investors	Date of initial investment agreement[1]	Form of initial investment	Total consideration (RMB)	Date of settlement of full consideration	Post-money valuation[2] (RMB)	Investment cost per Share immediately upon the [REDACTED][3] (RMB)	Discount to the [REDACTED][4]	Shareholding in our Company immediately before the [REDACTED]	Shareholding in our Company immediately after the [REDACTED] (assuming the [REDACTED] is not exercised)
Xinchen Huizhi	28 April 2023	Subscription of registered capital in Janbon Colloidal Materials[5]	11,032,000.00[5]	5 May 2023	23,692,000[6]	[REDACTED]	[REDACTED]%	3.83%	[REDACTED]%
AV China Holdings PCC Limited	25 April 2025	Subscription of shares in Janbon Cayman[5]	8,646,299.56	2 May 2025	173,272,549[7]	[REDACTED]	[REDACTED]%	4.99%	[REDACTED]%
Emerald Investment Limited	25 April 2025	Subscription of shares in Janbon Cayman[5]	8,646,299.56	30 April 2025	173,272,549[7]	[REDACTED]	[REDACTED]%	4.99%	[REDACTED]%
Capital Ally Holdings Limited	25 April 2025	Subscription of shares in Janbon Cayman[5]	8,490,356.70	25 April 2025	173,272,549[7]	[REDACTED]	[REDACTED]%	4.90%	[REDACTED]%
Prospect Investment (BVI) Limited	25 April 2025	Subscription of shares in Janbon Cayman[5]	5,198,175.83	30 April 2025	173,272,549[7]	[REDACTED]	[REDACTED]%	3.00%	[REDACTED]%

Notes:

(1) The date of initial investment agreement refers to the date of the initial subscription agreement entered into by the relevant parties.

(2) The post-money valuation refers to the sum of (i) the pre-money valuation for the corresponding round of [REDACTED] Investment and (ii) the total funds received by us from the corresponding round of [REDACTED] Investment.

(3) The investment cost per Share equals the total consideration paid by the [REDACTED] Investors in each [REDACTED] Investment divided by the number of Shares held by them immediately upon completion of the [REDACTED].

(4) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED].

(5) All forms of initial investment of our [REDACTED] Investors have been reflected as the corresponding shareholding in our Company.

(6) The pre-money valuation of our Group as at the time of Xinchen Huizhi's investment was determined based on the net asset value of Janbon Colloidal Materials as of 31 December 2022 at the amount of RMB12,660,000.

(7) The pre-money valuation of our Group as at the time of the [REDACTED] Investments on 25 April 2025 was determined based on the net asset value of Janbon Colloidal Materials as of 31 October 2024 at the amount of RMB142,291,417.36.

Principal Terms of the [REDACTED] Investments and [REDACTED] Investors' Rights

Use of proceeds from the [REDACTED] Investments

For the proceeds from the [REDACTED] Investment made by Xinchen Huizhi, as of the Latest Practicable Date, all such net proceeds from this investment had been utilised for production and operation of our principal business and procurement of raw materials.

For the proceeds from the other [REDACTED] Investments, as of the Latest Practicable Date, we have utilised approximately RMB22,000,000 of the net proceeds received from such investments primarily for the purpose of procurement of raw materials.

Strategic benefits of the [REDACTED] Investments to our Group

At the time of the [REDACTED] Investments, we were of the view that our Company can benefit from the additional capital injected by the [REDACTED] Investors' investments in our Company.

We also believe that our Group would be able to benefit from the business knowledge, experience and network of AV China Holdings PCC Limited, Emerald Investment Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited, in particular, the insights on business expansion, strategic development and industrial chain synergy effect brought by institutional investors including AV China Holdings PCC Limited and Emerald Investment Limited, who have made investments in similar industries. Our Directors are also of the view that the investments made by the reputable investors would further increase our brand awareness and facilitate our marketing efforts. Their investments also demonstrated their confidence in our Group's operations and served as an endorsement of our Company's performance, strengths and prospects.

Basis of determination of the consideration

For the details of the consideration for the [REDACTED] Investment of Xinchen Huizhi, please refer to "Our Corporate Developments — Our Operating Subsidiary — (7) Capital Increase in April 2023" in this section.

For the other [REDACTED] Investments, the consideration was determined based on the appraised net asset value of Janbon Colloidal Materials as of 31 October 2024 and arm's length negotiations between the relevant parties after taking into consideration the strategic benefits brought by the [REDACTED] Investments as described above.

Lock-up period

The Shares of our Company held by AV China Holdings PCC Limited, Emerald Investment Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited will be subject to one-year lock-up period from the [REDACTED].

Pursuant to the shareholders' agreement entered into between AV China Holdings PCC Limited, Emerald Investment Limited, Capital Ally Holdings Limited, Prospect Investment (BVI) Limited, Jinan Weilanwan, Xinchen Huizhi, our Group and Mr. Chen, the Shares of our Company held by Mr. Chen, Jinan Weilanwan and Xinchen Huizhi will be subject to two-year lock-up period from the [REDACTED].

Special rights

Special rights granted to AV China Holdings PCC Limited, Emerald Investment Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited pursuant to the share subscription agreement and shareholders' agreement include but are not limited to the customary protective provisions, rights of first refusal, pre-emptive rights, tag along rights, preferred dividend rights, redemption rights, and information rights, out of which: (i) the redemption rights have ceased to remain valid automatically and be of no further force and effect upon the submission of [REDACTED] by the Company to the Stock Exchange, and shall immediately be deemed to revive (on the date of rejection of such [REDACTED] by the Stock Exchange, the date of withdrawal of such [REDACTED] by the Company, or the date that is six months after expiration of such [REDACTED] and such [REDACTED] is not renewed, as applicable) and have never been terminated or invalidated and shall be in full force and effect; and (ii) all special rights shall terminate automatically and be of no further force and effect upon [REDACTED].

Sole Sponsor's Confirmation

On the basis that (i) the [REDACTED] will take place no earlier than 120 clear days after completion of the [REDACTED] Investments; and (ii) all special rights granted to the [REDACTED] Investors shall cease to be exercisable upon the completion of the [REDACTED] (save for the redemption rights as described above), the Sole Sponsor confirms that the [REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

FULL CIRCULATION AND CAPITALISATION OF OUR COMPANY

Our Company has applied for H-share full circulation to convert [REDACTED] the existing [REDACTED] Shares into H Shares as per the instructions of the relevant Shareholders. Set out below are number of Shares held by our existing Shareholders and other public Shareholders and the relevant shareholding as of the date of this Document and upon completion of the Conversion of [REDACTED] Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised).

	As of the Latest Practicable Date			As of the [REDACTED]		
Name of Shareholder	No. of Shares	Description of Shares	Percentage of shareholding	No. of Shares	Description of Shares	Percentage of shareholding
Mr. Chen	88,886,900	[REDACTED] Shares	72.99	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Jinan Weilanwan	6,443,600	[REDACTED] Shares	5.29	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Xinchen Huizhi	4,669,500	[REDACTED] Shares	3.83	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Emerald Investment Limited	6,076,473	[REDACTED] Shares	4.99	[REDACTED]	[REDACTED] Shares	[REDACTED]%
AV China Holdings PCC Limited	6,076,473	[REDACTED] Shares	4.99	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Capital Ally Holdings Limited	5,966,879	[REDACTED] Shares	4.90	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Prospect Investment (BVI) Limited	3,653,190	[REDACTED] Shares	3.00	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Other public Shareholders	—	—	—	[REDACTED]	[REDACTED] Shares	[REDACTED]%
Total	**121,773,015**	**—**	**100%**	**[REDACTED]**	**—**	**100%**

PUBLIC FLOAT AND FREE FLOAT

Public Float

Upon completion of the [REDACTED], the [REDACTED] Shares directly wholly-owned by Mr. Chen, representing [REDACTED]% of the total issued Shares immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the public float of our Company.

The [REDACTED] Shares controlled by (1) Jinan Weilanwan, whereby Ms. Meng Haiqing (our executive Director and Chief Financial Officer) is the sole general partnter, and (2) Xinchen Huizhi, whereby Mr. Zhang Wei (our non-executive Director) is the sole general partnter, representing [REDACTED]% and [REDACTED]% of the total issued Shares, respectively, immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), will also not be counted towards the public float of our Company.

To the best knowledge of our Directors, save as provided above, as of the date of this Document, no other Shareholder will be a core connected person of our Company (as defined in the Listing Rules) upon [REDACTED]. With respect to the indicative [REDACTED] range of HK$[REDACTED], HK$[REDACTED] and HK$[REDACTED] per [REDACTED] (being the low-end, mid-point and the high-end, respectively), the expected [REDACTED] of the Company's Shares would not exceed HK$[REDACTED]. Taking into account the above and the Shares to be

[REDACTED] pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), it is expected that more than [REDACTED]% of the total issued Shares upon [REDACTED] will be counted towards the public float of our Company, thereby satisfying the public float requirement under Rule 8.08(1) of the Listing Rules.

Free Float

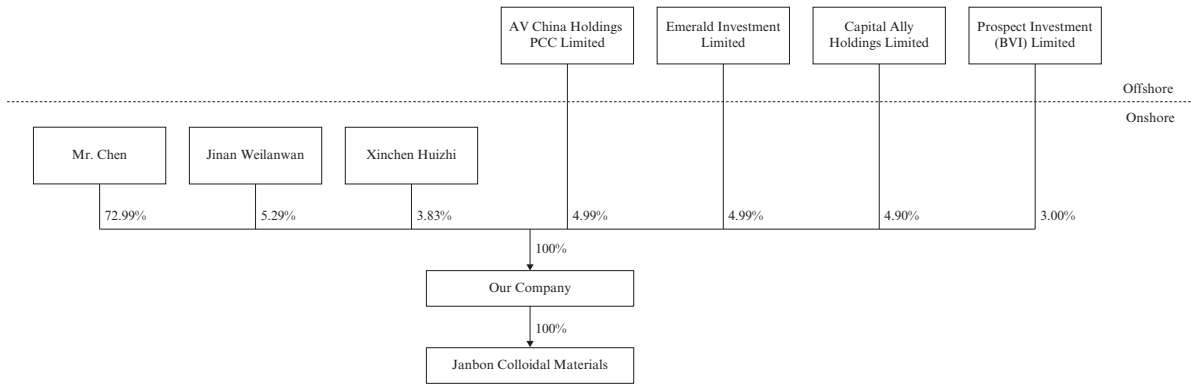
Rule 19A.13C of the Listing Rules provides that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing, and where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the [REDACTED] Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this Document shall not be counted towards the free float of the H Shares of our Company at the time of [REDACTED]. Upon completion of the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares, the expected [REDACTED] of the H Shares being held by the public and not subject to any disposal restrictions at the time of [REDACTED] under Rule 19A.13C of the Listing Rules would amount to approximately HK$[REDACTED] and represent [REDACTED]% of the total number of issued shares in the class to which H Shares belong at the time of [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the low end of the indicative [REDACTED] range, and the [REDACTED] is not exercised). Accordingly, our Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of the [REDACTED].

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

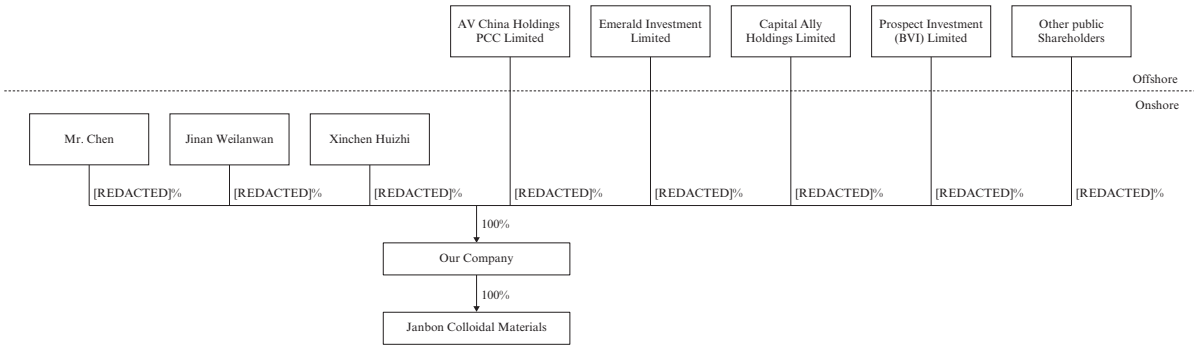
The following chart sets forth the corporate and shareholding structure of our Company immediately before the completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately Following the [REDACTED]

The following chart sets forth the corporate and shareholding structure of our Company immediately following the completion of the [REDACTED] assuming that the [REDACTED] is not exercised:



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

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

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.

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

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.

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'

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.

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.

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

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.

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		
	Revenue	Percentage of Total Revenue	Sales Volume	Revenue	Percentage of Total Revenue	Sales Volume	Revenue	Percentage of Total Revenue	Sales Volume	Revenue	Percentage of Total Revenue	Sales Volume	Revenue	Percentage of Total Revenue	Sales Volume
	(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

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.

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	18–1.9	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

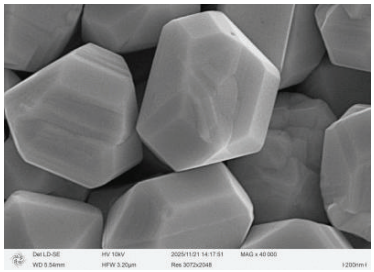
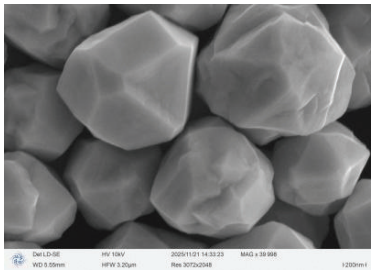
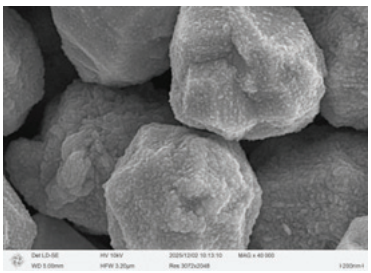
Notes:

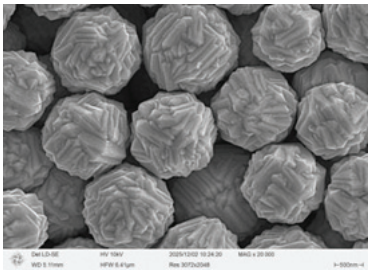
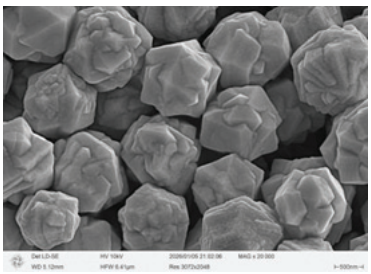
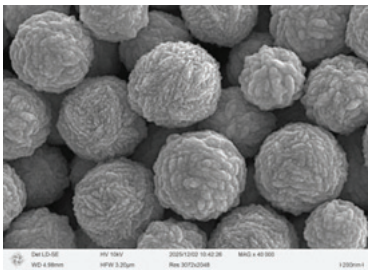
(1) The names of the product series are generally based on our internal production generation and the specifications of the products. For instance, for the *"152–10N" series* of our silver powder product: "152" represents our internal production generation for the products; "10" indicates the average 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.

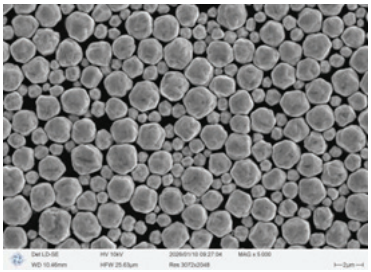
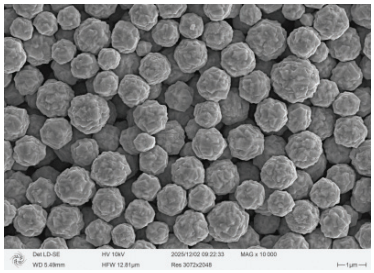
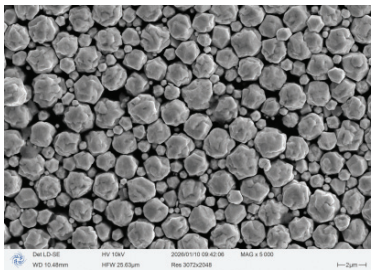
(2) In terms of product technical performance, we believe that all of these product series are suitable for ultimate application in all mainstream PV cells, including P-type PERC cells as well as more advanced N-type TOPCon, HJT, and xBC cells. The actual utilisation of our silver powder in a particular 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.

Series[(1)]	SEM photograph	Features
150-XX	 Example SEM photograph of *150–10 series*	• 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	 Example SEM photograph of *152–10 series*	• 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	 Example SEM photograph of *152–16N series*	• 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.

Series[(1)]	SEM photograph	Features
156-XX	 Example SEM photograph of *156–16 series*	• 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-XXK	 Example SEM photograph of *158–16K series*	• 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	 Example SEM photograph of *162-Q10 series*	• 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.

Series[(1)]	SEM photograph	Features
162-FXX	 Example SEM photograph of *162-F2 series*	• 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	 Example SEM photograph of *166–13 series*	• 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	 Example SEM photograph of *168–20 series*	• 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.

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:

	Year ended 31 December												five months ended 31 May							
	2023				2024				2025				2025				2026			
Product Series[1]	Sales Ranking	Sales Volume	Percentage of Total Sales Volume	Average Selling Price[4]	Sales Ranking	Sales Volume	Percentage of Total Sales Volume	Average Selling Price[4]	Sales Ranking	Sales Volume	Percentage of Total Sales Volume	Average Selling Price[4]	Sales Ranking	Sales Volume	Percentage of Total Sales Volume	Average Selling Price[4]	Sales Ranking	Sales Volume	Percentage of Total Sales Volume	Average Selling Price[4]
	(#)	*(tonne)*		*(RMB/kg)*	*(#)*	*(tonne)*		*(RMB/kg)*	*(#)*	*(tonne)*		*(RMB/kg)*	*(#)*	*(tonne)* (unaudited)		*(RMB/kg)*	*(#)*	*(tonne)*		*(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	1	60.7	32.5%	7,278.0	1	52.0	24.6%	19,041.2
156–14L	*	0.2	0.0	5,495.7	*	45.3	7.6%	6,636.8	2	57.8	10.1%	8,588.1	4	18.0	9.7%	7,242.2	2	26.0	12.3%	19,277.7
166–13	—	—	—	—	—	—	—	—	3	53.5	9.4%	9,180.7	*	5.6	3.0%	7,336.5	3	24.0	11.4%	18,730.1
152–20J	*	7.4	1.4%	5,406.0	*	42.6	7.2%	6,480.9	*	14.4	2.5%	8,610.5	*	5.6	3.0%	7,197.1	4	18.8	8.9%	18,501.2
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	3	21.1	11.3%	7,304.7	5	17.4	8.2%	18,960.0
152–10N	3	58.3	11.0%	5,296.0	2	92.4	15.6%	6,461.3	5	46.0	8.1%	8,144.4	2	24.4	13.1%	7,259.7	*	11.0	5.2%	19,292.9
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	*	4.6	2.5%	7,243.4	*	0.8	0.4%	18,095.8
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	5	9.4	5.0%	7,219.2	*	3.5	1.7%	19,981.7
152–16	2	114.9	21.7%	5,018.4	*	26.5	4.5%	6,462.6	*	21.1	3.7%	8,495.3	*	8.8	4.7%	7,204.4	*	1.1	0.5%	19,929.0
Total of Top Five Product Series	N/A	467.5	88.3%	N/A	N/A	418.2	70.5%	N/A	N/A	390.2	68.4%	N/A	N/A	133.60	71.6%	N/A	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.

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

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:

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

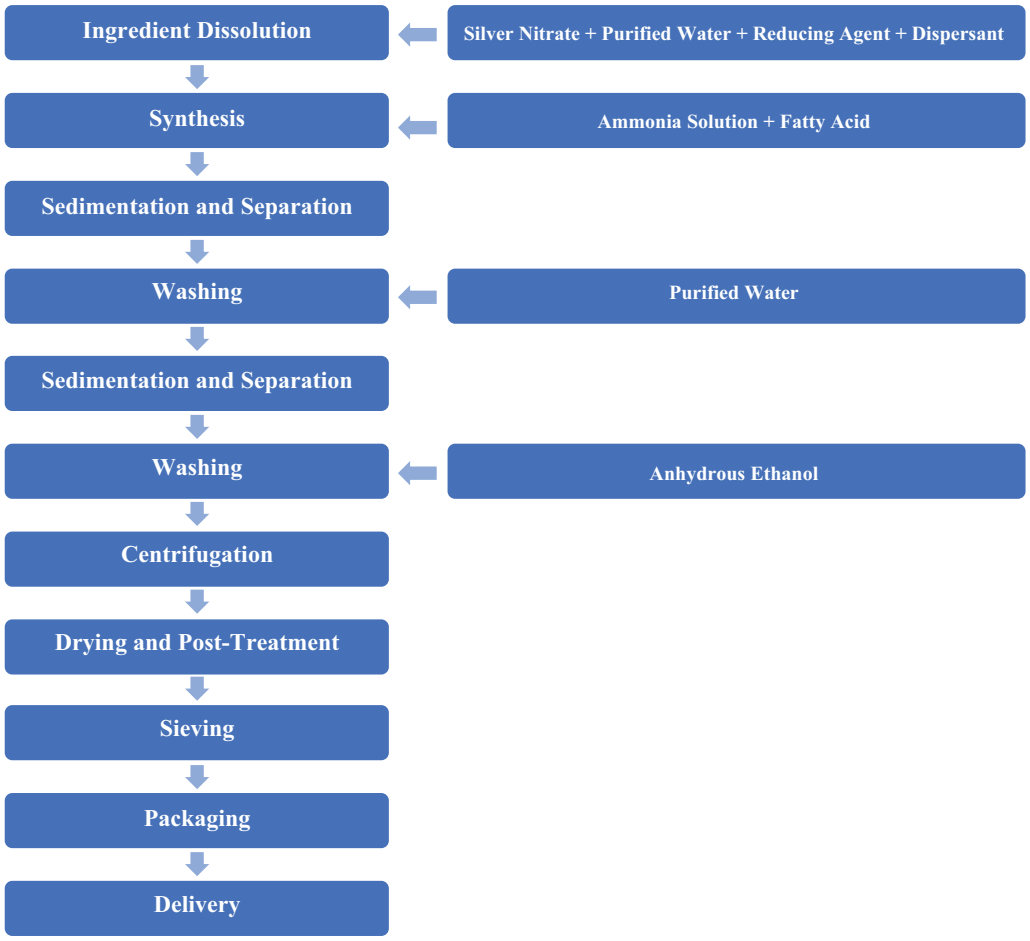
We engage qualified third-party logistics providers for the delivery of all finished products from our manufacturing facilities to locations specified by our customers. The cost and risks of delivery are borne by us.

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.

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 ($NH_3 \cdot H_2O$) 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 (C_2H_6O) 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.

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.

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:

Name of the Equipment	Usage and Characteristics of the Equipment
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

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

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.

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

Product Series	Brief Description	Particle Size Distribution D50 (μm)[1]	Particle Size Distribution D100 (μm)[1]
Nano silver powder			
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
Silver reduction and substitution			
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.

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:

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 JinchuanTechnology 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

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

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.* (上海浙鉑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

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

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 (桐柏泓鑫) 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.

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 supplies 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

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:

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.

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

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

For the year ended 31 December 2023

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 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

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.

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.

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.

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 cyclicality 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 contingences.

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

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.

Patent Number	Patent	Type of Patent	Grant Date	Expiration Date
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 (一種復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 (一種具有支棱結構的大顆粒銀粉及其製備方法和應用)	Invention	12 August 2022	7 July 2041

Patent Number	Patent	Type of Patent	Grant Date	Expiration Date
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.

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 81m^2) and our building for gas boiler (鍋爐房) (approximately 140m^2), 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 Adviser 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

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.

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 ((C_6H_9NO)) and vitamin C ($C_6H_8O_6$) 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

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

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 ±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 power 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

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.

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 ther 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 ther 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

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.

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

(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:

Year of Grant	Award/Recognitions	Issued By
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* (國家税務總局山東省税務局)
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)

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.

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.

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

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 • 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	• 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 • Increase in compliance and operating costs	• 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 • 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 • 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

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 • Increased revenue due to growing market demand	• 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 • Reduced operating costs	• 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.

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 (tCO_2e/million RMB revenue) by 63% by 2030;
- Reduce energy consumption intensity (MWh/million RMB revenue) by 71% by 2030; and
- Reduce water consumption intensity (m^3/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]:

	Unit	For the year ended 31 December 2023	2024	2025	For the five months ended 31 May 2026
Emissions					
GHG emissions[3]					
Total (Scopes 1, 2)	tCO_2e	1,870.54	1,819.94	1,630.87	629.18
Total (Scopes 1, 2, 3)	tCO_2e	1,970.47	1,943.28	1,788.92	698.31
(i) Direct emissions (Scope 1)	tCO_2e	746.27	591.08	406.08	187.50
(ii) Energy indirect emissions (Scope 2)	tCO_2e	1,130.37	1,235.23	1,229.04	445.90
(iii) Other indirect emissions (Scope 3)[4]	tCO_2e	99.93	123.34	158.06	69.13
Emissions reductions from tree planting (Scope 1)	tCO_2e	6.10	6.37	4.25	4.22
Total (Scopes 1, 2) intensity	tCO_2e/million RMB revenue	0.67	0.46	0.32	0.16
Total (Scopes 1, 2, 3) intensity	tCO_2e/million RMB revenue	0.71	0.49	0.35	0.17

	Unit	For the year ended 31 December 2023	2024	2025	For the five months ended 31 May 2026
Use of Resources					
Energy					
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
Water					
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.

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.

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.

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.

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* (國家税務總局山東省税務局)	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
4	Certificate of conformity environmental management system certification (環境管理體系認證證書)	China Quality Mark Certification Group (方圓標誌認證集團有限公司)	From 5 August 2025	4 August 2028
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網許可證)	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."

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.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER

OUR CONTROLLING SHAREHOLDER

Immediately after the [REDACTED] (without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), Mr. Chen will be interested in approximately [REDACTED]% of the issued share capital of our Company.

In this regard, Mr. Chen will be our Controlling Shareholder within the meaning of the Listing Rules.

Mr. Chen is an executive Director and Chairman of our Board. For details of the background of Mr. Chen, please refer to the section headed "Directors and Senior Management" in this Document.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, our Controlling Shareholder was not interested in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR GROUP

Our Directors are of the view that our Group will be able to operate independently from our Controlling Shareholder and his respective close associates (other than our Group) after the [REDACTED] for the following reasons:

(i) Management Independence

Our business is managed and conducted by our Board and senior management. The Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors are of the view that our Directors and senior management are able to perform their roles and manage our business independently from our Controlling Shareholder notwithstanding that Mr. Chen is an executive Director and Chairman of our Board for the following reasons:

(a) the executive Directors, supported by experienced full-time senior management team, oversee the day-to-day management of our Group and are responsible for the operation of our Group's business;

(b) Mr. Chen, as one of our executive Directors, devotes substantially all his time to discharge his duties of his positions at our Group;

(c) each of our Directors is fully aware of his/her fiduciary duties as director and will dedicate his/her time to the management of our Group;

(d) our daily management and operations are carried out by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(e) our Directors believe the independent non-executive Directors are able to bring independent judgement to the decision-making process of the Board and protect the interests of our Company and our Shareholders as a whole;

(f) our Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum present at the particular Board meeting;

(g) Mr. Chen have undertaken that if a conflict of interest situation arises, he shall (i) not vote or be counted in the quorum of any resolution of the Board unless so authorised by the Articles, (ii) refrain from being present during the relevant discussions at Board meetings, and (iii) play no part in the decision-making process of the Board; and

(i) we have adopted corporate governance measures and sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and our Controlling Shareholder, which would support our independent management. Please see "— Corporate Governance Measures" in this section for further details.

(ii) Operational Independence

Although our Controlling Shareholder will retain a controlling interest in our Company after the [REDACTED], our Group has full rights to make all decisions regarding, and to carry out, its own business operations independently. Our Group does not rely on our Controlling Shareholder for its supply, business development, staffing, capital, equipment, intellectual properties or marketing and sales activities upon [REDACTED]. Our Group has independent access to suppliers and customers and an independent management team to handle its day-to-day operations. Our Company (through its subsidiary) holds or enjoys the benefit of all relevant assets and resources necessary to carry on our Group's businesses.

Having considered the above, our Directors are satisfied that they are able to perform their roles in our Group independently, and our Group is capable to operate independently from our Controlling Shareholder after the [REDACTED].

(iii) Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group had its own internal control, accounting and financial management system and function, independent treasury functions for cash receipts and payment and our Group makes financial decisions according to its own business needs.

As of 31 December 2023 and 2024, certain of our bank loans were guaranteed by Mr. Chen, our Controlling Shareholder, or companies in which an associate of Mr. Chen is the controlling shareholder. The underlying bank borrowings of such guarantees had been fully settled as of the Latest Practicable Date.

Our Directors are of the view that our Group is capable of obtaining financing from external sources without reliance on our Controlling Shareholder after the [REDACTED]. Therefore, there is no financial dependence on our Controlling Shareholder.

FURTHER UNDERTAKINGS BY OUR CONTROLLING SHAREHOLDER

Our Controlling Shareholder has also given undertakings in respect of the Shares to our Company and the Stock Exchange as required by Rule 10.07 of the Listing Rules, see section headed "[REDACTED]" in this Document for details.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following corporate governance measures to manage any potential conflicts of interest and to safeguard the interests of our Shareholders:

(i) our Company has appointed independent non-executive Directors to ensure the effective exercise of independent judgements on the decision-making process of our Board of Directors and provide independent advice to our Shareholders;

(ii) our Company will provide to our independent non-executive Directors the Offer Notice delivered to our Company by our Controlling Shareholder within seven days of receipt;

(iii) our Directors consider that our independent non-executive Directors have sufficient experience in assessing whether or not to take up the new business opportunities or exercise our Company's pre-emptive right;

(iv) any proposed transaction between us and connected persons will be subject to Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting and independent Shareholders' approval requirements of such rules;

(v) in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board of Directors meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such meeting;

(vi) in the event of any potential conflict of interests at the Shareholders' level, our Controlling Shareholder shall abstain from voting at the Shareholders' meeting of our Company with respect to the relevant resolutions; and

(vii) we have appointed Zhongtai International Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including but not limited to various requirements relating to Directors' duties and corporate governance.

DIRECTORS AND SENIOR MANAGEMENT

SUMMARY INFORMATION OF OUR DIRECTORS AND SENIOR MANAGEMENT

The following table sets out information regarding our Directors and members of our senior management.

Name	Age	Position/Title	Roles and Responsibilities	Date of joining our Group	Date of first appointment as Director/senior management
Executive Directors					
Mr. Chen Zichun (陳子淳先生)	34	Chairman of our Board and Executive Director	Primarily responsible for overall strategic planning development, business planning, investment planning and overseeing the business operation of our Group	July 2022	February 2025
Mr. Zhou Yong (周勇先生)	57	Executive Director and General Manager	Primarily responsible for overseeing the general business operations and management of our Group	March 2010	May 2026
Ms. Meng Haiqing (孟海清女士)	38	Executive Director and Chief Financial Officer	Primarily responsible for financial management of our Group	March 2023	May 2026
Non-executive Director					
Mr. Zhang Wei (張偉先生)	56	Non-executive Director	Primarily responsible for providing guidance and advice to the Board on the corporate and business strategies and strategic investments	April 2025	May 2026
Independent non-executive Directors					
Dr. Cui Haitao (崔海濤博士)	51	Independent non-executive Director	Primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	[•]	[•]
Ms. Xu Qian (徐茜女士)	48	Independent non-executive Director	Primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	[•]	[•]
Mr. Chan Ngai Fan (陳毅奮先生)	46	Independent non-executive Director	Primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	[•]	[•]
Senior Management					
Dr. Chen Bo (陳波博士)	51	Deputy General Manager	Primarily responsible for leading the research and development projects of our Group	March 2021	May 2026
Mr. Liu Xiaoyong (劉小勇先生)	39	Deputy General Manager	Primarily responsible for business operations and procurement of our Group	June 2016	May 2026
Mr. Tian Kui (田奎先生)	44	Chief Sales Officer	Primarily responsible for managing customers and sales of our Group	November 2013	November 2013
Mr. Zhao Qingliang (趙慶亮先生)	41	Business Director	Primarily responsible for market development and external cooperation of our Group	May 2013	October 2017
Mr. Luo Weiwei (駱偉偉先生)	42	Chief Production Officer	Primarily responsible for managing the production process of our Group	October 2013	December 2021

BOARD OF DIRECTORS

Our Board currently consists of seven Directors comprising three executive Directors, one non-executive Director and three independent non-executive Directors. The term of service for our Directors is three years, and Directors are permitted to be re-elected. Responsibilities of our Board include but are not limited to (i) convening Shareholders' meetings, reporting on our Board's work

at these meetings, implementing our Shareholders' resolutions passed at these meetings; (ii) determining business operation, financial, capital and investment plans; (iii) determining internal management structure, setting down fundamental management rules; (iv) appointing and discharging members of senior management, determining Directors' remuneration and formulating our proposals for profit distributions; and (v) exercising other functions and powers empowered by relevant laws, regulations and the Articles of Association.

Executive Directors

Mr. Chen Zichun (陳子淳先生), aged 34, was appointed as Director of our Company on 25 February 2025 and was subsequently re-designated as our executive Director and appointed as the Chairman of our Board on 21 May 2026. Mr. Chen has been appointed as the sole executive director of Janbon Colloidal Materials since July 2022. Since July 2022, Mr. Chen has been responsible for the overall business strategy of the Group. Specifically Mr. Chen has been: (i) managing the leadership team of the Group, including hiring and compensation matters of management staff; (ii) managing existing customers and led the expansion of the Group's customer base; (iii) leading the identification, evaluation and negotiation with potential investors of the Company (including the [REDACTED] investors of the Company) and the overall the capital market expansion of the Group; (iv) driving market expansion through M&A, joint ventures and entry into new markets, including East Asia and the Middle East; and (v) determining the direction of research and development focuses of the Group. He is the chairman of our nomination committee.

Mr. Chen has more than eight years of experience in investment, business management and administration. He is also our Controlling Shareholder.

Mr. Chen worked as the chief investment officer at Shandong Jianbang Investment Management Co., Ltd.* (山東建邦投資管理有限公司) from May 2018 to February 2023 where he was responsible for: (i) managing strategic investments across different industries, including but not limited to infrastructure, real estate, distressed assets, and artificial intelligence industries, with active involvement in corporate governance of the companies invested in; and (ii) evaluating and approving new investments including in distressed asset projects and artificial intelligence technology projects.

Mr. Chen obtained a bachelor's degree in interdisciplinary math & economics from Fordham University in the United States in May 2015 and further obtained a master's degree in real estate from New York University in the United States in May 2018.

Mr. Chen was a director, supervisor, partner or manager of the following enterprises at the time or within 12 months from the time of their respective dissolutions or commencements of dissolution procedures (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Yunnan Wanquan Private Equity Fund Management Co. Ltd.*(雲南萬泉私募基金管理有限公司)	PRC	Executive Director and General Manager	Among other things, private equity investment fund management services	19 July 2021	Deregistration	Cessation of business
Shandong Blue Island Private Equity Fund Management Co., Ltd.* (山東藍島私募基金管理有限公司)	PRC	Executive Director and General Manager	Among other things, private equity investment fund management services construction	31 August 2023	Deregistration	Cessation of business

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Linyi Daguan International Trading Co., Ltd.* (臨沂達觀國際貿易有限公司)	PRC	Supervisor	Among other things, technical services, development and consultancy	10 March 2023	Deregistration	Cessation of business
Hainan Xinchen Huizhi Enterprise Management Partnership (Limited Partnership)* (海南鑫辰匯智企業管理合夥企業(有限合夥))	PRC	Partner and Executive Partner	Among other things, business management, finance and tax consulting	13 April 2023	Deregistration	Cessation of business

Mr. Chen confirmed that (i) to the best of his knowledge, each of the above enterprises was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above enterprises, (iii) the enterprises had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on his part in the deregistration of the above enterprises.

Mr. Chen is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Zhou Yong (周勇先生), aged 57, was appointed as our executive Director and General Manager on 21 May 2026. Mr. Zhou was appointed as the manager and the executive director of Janbon Colloidal Materials from March 2010 to July 2022 and was subsequently appointed as the general manager of Janbon Colloidal Materials from July 2022. Prior to Mr. Chen joining the Group in July 2022, Mr. Zhou as the manager and sole executive director of Janbon Colloidal Materials led the strategic leadership and overall management of the Group. Following Mr. Chen joining the Group, Mr. Zhou focused on the internal operational and technical matters of the Group, specifically: (i) managing the entire production process of the Group, including production process optimisation, product delivery management, quality control, and overall efficiency enhancement; (ii) the procurement strategies of the Group by maintaining relationships with existing suppliers while identifying, evaluating, and negotiating with potential new suppliers; (iii) directly managing and supervising the frontline production team; and (iv) providing detailed oversight of research and development programmes, from project initiation and resource allocation to the commercialisation of R&D outcomes.

Mr. Zhou has over 24 years of experience in administration and business management.

From February 2002 to March 2007, Mr. Zhou served as the head of operations and the head of the office of the president at Minsheng Insurance Brokers Co., Ltd.* (民生保險經紀有限公司), primarily responsible for general management of the company. Mr. Zhou served as the vice-president of Shandong Janbon Group Co., Ltd.* (山東建邦集團有限公司) from March 2007 to July 2022, primarily responsible for general management of the company.

Mr. Zhou obtained a diploma in insurance from Shandong Radio and Television University* (山東廣播電視大學) (currently known as Shandong Open University (山東開放大學)) in the PRC in July 1991, and graduated from Shandong University (山東大學) in the PRC in July 1996, major in national economic management.

In August 2024, Mr. Zhou was awarded the leading talent in business management of the "TaiShan Industrial Experts Programme" by the Talent Work Leading Group of the Communist Party of China Shandong Province Committee* (中共山東省委人才工作領導小組).

Mr. Zhou was awarded the Intermediate Insurance Economist Qualification Certificate* (保險經濟中級資格證) by the Ministry of Personnel of the PRC* (中國人事部) in October 1996. In March 2011, Mr Zhou was awarded the Legal Professional Qualification Certificate* (法律職業資格證) by the Ministry of Justice of the PRC* (中國司法部).

Mr. Zhou was a partner of the following enterprise at the time or within 12 months from the time of its dissolution or commencement of dissolution procedure (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Hainan Weilanwan Business Service Partnership (Limited Partnership)* (海南蔚藍灣商務服務合夥企業(有限合夥))	PRC	Partner and Executive Partner	Among other things, business management; financial consulting; market research	30 May 2023	Deregistration	Cessation of business
Shandong Shanda Colloidal Materials Co., Ltd* (山東山大膠體材料有限責任公司)	PRC	Director	Scientific Research and Technical Services Industry	22 January 2026	Strike off	Non-filing of annual report

Mr. Zhou confirmed that (i) to the best of his knowledge, the above enterprise was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above enterprise, (iii) the enterprise had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on his part in the deregistration of the above enterprise.

Mr. Zhou is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Ms. Meng Haiqing (孟海清女士), aged 38, was appointed as our executive Director and Chief Financial Officer on 21 May 2026. Ms. Meng has been appointed as the chief financial officer of Janbon Colloidal Materials since March 2023 and has been appointed as the secretary of the board of Janbon Colloidal Materials since November 2024. Ms. Meng is principally responsible for financial management of our Group. She is a member of our remuneration committee.

Ms. Meng has over 15 years of experience in accounting and financial management.

Prior to joining our Group, from April 2020 to February 2023, Ms. Meng served as the finance manager of finance department of Shandong Nuohai Equity Investment Management Co. Ltd.* (山東諾海股權投資管理有限公司), primarily responsible for general financial management. From April 2018 to March 2020, she served as the finance manager of Shandong Jianbang Technology Development Group Co., Ltd.* (山東建邦科技發展集團有限公司), primarily responsible for financial management. From December 2016 to March 2018, she served as the head of finance of Shandong Jianbang Investment Management Co., Ltd.* (山東建邦投資管理有限公司), primarily responsible for financial management. She worked at Ruihua Certified Public Accountants (Special General Partnership) Shandong Branch* (瑞華會計師事務所(特殊普通合夥)山東分所) from February 2012 to November 2016 and worked at Guofu Haohua Certified Public Accountants Co., Ltd. Shandong Branch* (國富浩華會計師事務所有限公司山東分所) from October 2010 to January 2012.

Ms. Meng obtained a professional specialist diploma in accounting from Yanshan College of Shandong Institute of Economics* (山東經濟學院燕山學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in the PRC in July 2009, and further obtained a bachelor's degree in accounting from China Agricultural University (中國農業大學) in the PRC in July 2013 (online education).

Ms. Meng was recognised as a Chinese Certified Public Accountant by the Chinese Institute of Certified Public Accountants in July 2017. She has been awarded the qualification of tax advisor (税務師) by the China Certified Tax Agents Association in November 2020. In December 2023, Ms. Meng was accredited as a senior accountant (高級會計師) by the Department of Human Resources and Social Security (人力資源和社會保障廳) of Shandong Province of the PRC.

Ms. Meng is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Non-executive Director

Mr. Zhang Wei (張偉先生), aged 56, was appointed as our non-executive Director on 21 May 2026, primarily responsible for providing guidance and advice to the Board on the corporate and business strategies and strategic investments.

Mr. Zhang has over 20 years of experience in engineering surveys, administration and business management.

Prior to joining our Group, Mr. Zhang has been serving as the chairman and general manager of Shandong Jinan Jianbang Yellow River Highway Bridge Co., Ltd.* (山東濟南建邦黃河公路大橋有限公司) since June 2006, primarily responsible for business management of the company. From March 2002 to May 2006, he served as the assistant to the general manager and head of the general office at Shandong Jianbang Investment Management Co., Ltd.* (山東建邦投資管理有限公司), primarily responsible for assisting the general manager in the day-to-day management of the company. He worked at Coal Industry Jinan Design & Research Institute Co., Ltd.* (煤炭工業濟南設計研究院有限公司) (currently known as General Technology Group Engineering Design Co., Ltd. (通用技術集團工程設計有限公司)) from 1994 to February 2002.

Mr. Zhang obtained a bachelor's degree in mine surveying from China University of Mining and Technology (中國礦業大學) in the PRC in June 1992 and further obtained a master's degree in business administration from Shandong University (山東大學) in the PRC in December 2002.

Mr. Zhang was a director, supervisor or manager of the following enterprises at the time or within 12 months from the time of their respective dissolutions or commencements of dissolution procedures (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Jinan Shunbang Property Development Co., Ltd.* (濟南舜邦置業開發有限公司)	PRC	Director	Among other things, real estate valuation; real estate information consulting and intermediary services	30 September 2025	Deregistration	Cessation of business
Qingdao Zhongke Qisheng Real Estate Co., Ltd.* (青島中科啟晟置業有限公司)	PRC	Executive Director and Manager	Among other things, real estate development and operation	9 May 2023	Deregistration	Cessation of business
Shandong Ruicheng Real Estate Appraisal Co., Ltd. (山東瑞誠房地產評估有限公司)	PRC	Supervisor and Liquidation Group Member	Among other things, real estate valuation; real estate information consulting and intermediary services	11 January 2010	Deregistration	Cessation of business

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Shandong Bangrui Real Estate Co., Ltd. (山東邦瑞地產有限公司)	PRC	Chairman, General Manager and Liquidation Group Leader	Among other things, real estate development and operation; property management	3 June 2020	Deregistration	Cessation of business
Shandong Banghe Real Estate Co., Ltd. (山東邦和地產有限公司)	PRC	Chairman, General Manager and Liquidation Group Leader	Among other things, real estate development and operation; property management	3 June 2020	Deregistration	Cessation of business
Shandong Huike Real Estate Co., Ltd. (山東慧科地產有限公司)	PRC	Chairman and General Manager	Among other things, real estate development and operation; property management	20 April 2021	Deregistration	Cessation of business
Shandong Bangtuo Real Estate Co., Ltd. (山東邦拓地產有限公司)	PRC	Chairman and General Manager	Among other things, real estate development and operation; property management	20 April 2021	Deregistration	Cessation of business
Shandong Bangjia Real Estate Co., Ltd. (山東邦佳置業有限公司)	PRC	Executive Director and General Manager	Among other things, real estate development and operation; property management	14 December 2022	Deregistration	Cessation of business
Shandong Heyun Real Estate Co., Ltd. (山東禾蘊置業有限公司)	PRC	Executive Director and General Manager	Among other things, real estate development and operation; property management	14 December 2022	Deregistration	Cessation of business
Shandong Pengbang Real Estate Co., Ltd. (山東鵬邦置業有限公司)	PRC	Executive Director and General Manager	Among other things, real estate development and operation; property management	8 November 2021	Deregistration	Cessation of business
Shandong Bangqi Real Estate Co., Ltd. (山東邦祺置業有限公司)	PRC	Executive Director and General Manager	Among other things, real estate development and operation; property management	10 November 2021	Deregistration	Cessation of business
Shandong Hexu Real Estate Co., Ltd. (山東禾旭置業有限公司)	PRC	Executive Director and General Manager	Among other things, real estate development and operation; property management	13 October 2021	Deregistration	Cessation of business

Mr. Zhang confirmed that (i) to the best of his knowledge, each of the above enterprises was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above enterprises, (iii) the enterprises had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on his part in the deregistration of the above enterprises.

Mr. Zhang is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Independent Non-executive Directors

Dr. Cui Haitao (崔海濤博士), aged 51, was appointed as our independent non-executive Director on 9 July 2026, with effect from [•] 2026, primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. He is a member of our audit committee, nomination committee and remuneration committee.

Dr. Cui has over 21 years of experience in marketing and business management.

Dr. Cui has served as a professor at Carlson School of Management, University of Minnesota since July 2005. Dr. Cui has been an independent non-executive director of Viva Goods Company Limited (listed on the Stock Exchange, stock code: 933.HK) since 26 October 2023. Dr. Cui was appointed as an independent non-executive director of Excellence Commercial Property & Facilities Management Group Limited (listed on the Stock Exchange, stock code: 6989.HK) on 22 March 2024.

Dr. Cui obtained a bachelor's degree in industrial engineering and fluid machinery and fluid engineering from Tsinghua University (清華大學) in the PRC in May 1998 and further obtained a IMBA degree (MIT Sloan-Tsinghua co-developed programme) from Tsinghua University (清華大學) in the PRC in May 2000 and a master's degree in operations and information management from Wharton School, University of Pennsylvania in the United States in December 2002. Dr. Cui obtained a doctor's degree in managerial science & applied economics from Wharton School, University of Pennsylvania in the United States in August 2005.

Dr. Cui was a director or supervisor of the following enterprises at the time or within 12 months from the time of their respective dissolutions or commencements of dissolution procedures (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Honglue Enterprise Management Consulting (Shanghai) Co., Ltd. (泓略企業管理諮詢(上海)有限公司)	PRC	Executive Director and Liquidation Group Leader	Among other things, enterprise management consulting; marketing planning	12 December 2019	Strike off	Non-filing of annual report
Shanghai Jianaian Information Technology Co., Ltd. (上海健愛安信息科技有限公司)	PRC	Supervisor and Liquidation Group Leader	Among other things, information technology, electronics, computers, network technology in the field of technology development	4 December 2019	Deregistration	Cessation of business

Dr. Cui confirmed that (i) to the best of his knowledge, each of the above enterprises was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above enterprises, (iii) the enterprises had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on his part in the deregistration of the above enterprises.

Save as disclosed above, Dr. Cui is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Ms. Xu Qian (徐茜女士), aged 48, was appointed as our independent non-executive Director on 9 July 2026, with effect from [•] 2026, primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. She is the chairlady of our remuneration committee and a member of our nomination committee and audit committee.

Ms. Xu has over 15 years of experience in legal practice, asset management and its downstream investment.

Since August 2025, Ms. Xu has been serving as a partner, chief operating officer at Lochpine Operation Limited. From April 2021 to August 2025, Ms. Xu served as a management committee member of the asset management division and general counsel at China Renaissance. From October 2010 to March 2021, Ms. Xu worked at CDH Investments Management (Hong Kong) Limited as the Principal.

Ms. Xu obtained a bachelor's degree in international economic law from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2000 and further obtained a master's degree in law from University College London in the United Kingdom in November 2002. Subsequently, she completed a master's degree in corporate law from New York University in the United States in May 2007.

Ms. Xu was a director or partner of the following enterprises at the time or within 12 months from the time of their respective dissolutions or commencements of dissolution procedures (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Ningbo Dinghui Jiayun Equity Investment Partnership Enterprise (Limited Partnership)* (寧波鼎暉嘉韻股權投資合夥企業(有限合夥))	PRC	Partner	Equity investment and related advisory services	1 June 2015	Deregistration	Cessation of business
Ningbo Dinghui Jiafu Equity Investment Partnership Enterprise (Limited Partnership)* (寧波鼎暉嘉孚股權投資合夥企業(有限合夥))	PRC	Partner	Equity investment and related advisory services	1 June 2015	Deregistration	Cessation of business
Ningbo Dinghui Jiahui Equity Investment Partnership Enterprise (Limited Partnership)* (寧波鼎暉嘉惠股權投資合夥企業(有限合夥))	PRC	Partner	Equity investment and related advisory services	1 June 2015	Deregistration	Cessation of business
Ningbo Dinghui Jiayi Equity Investment Partnership Enterprise (Limited Partnership)* (寧波鼎暉嘉懿股權投資合夥企業(有限合夥))	PRC	Partner	Equity investment and related advisory services	1 June 2015	Deregistration	Cessation of business
Shanghai Dinghui Xiangfu Equity Investment Partnership Enterprise (Limited Partnership)* (上海鼎暉祥孚股權投資合夥企業(有限合夥))	PRC	Partner	Equity investment	24 April 2024	Deregistration	Cessation of business
Ningbo Baiheng Huixin Investment Management Co., Ltd.* (寧波百恒匯鑫投資管理有限公司)	PRC	Executive Director	Among other things, investment management; investment consultancy	17 August 2018	Deregistration	Cessation of business
Ningbo Dinghui Jinxiu Investment Management Co., Ltd.* (寧波鼎暉錦繡投資管理有限公司)	PRC	Executive Director	Among other things, investment management; investment consultancy	28 August 2018	Deregistration	Cessation of business

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Argfnt Alliance TECHNOLOGIES Company Limited* (深圳雅駿聯合科技有限公司)	PRC	Director	Among other things, research and development of information technology and electronic products	21 November 2016	Deregistration	Cessation of business
Golden Crystalline Limited	BVI	Director	Investment holding	3 January 2025	Deregistration	Cessation of business

Ms. Xu confirmed that (i) to the best of her knowledge, each of the above enterprises was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on her part leading to the deregistration of the above enterprises, (iii) the enterprises had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) she is not aware of any actual or potential claim that has been or will be made against her as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on her part in the deregistration of the above enterprises.

Ms. Xu is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Chan Ngai Fan (陳毅奮先生), aged 46, was appointed as our independent non-executive Director on 9 July 2026, with effect from [•] 2026, primarily responsible for providing independent judgement to our Board on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. He is the chairman of our audit committee.

Mr. Chan has over 21 years of experience in auditing, accounting and business management.

Prior to joining our Group, from July 2024 to present, Mr. Chan has been serving as an independent non-executive director of Smart Fish Wealthlink Holdings Limited (fomerly known as Central Wealth Group Holdings Limited) (listed on the Stock Exchange, stock code: 139.HK), primarily responsible for providing independent judgement to the board. From November 2023 to present, he has been serving as an independent non-executive director of Persistence Gold Group Ltd (listed on the Stock Exchange, stock code: 2489.HK), primarily responsible for providing independent judgement to the board. From August 2022 to present, he has served as the company secretary of BlockFin Holdings Limited (fomerly known as Bison Finance Group Limited) (listed on the Stock Exchange, stock code: 888.HK), primarily responsible for the company secretarial matters. From May 2022 to present, he has served as the company secretary, authorised representative and process agent of China Health Technology Group Holding Company Limited (formerly known as China Bozza Development Holdings Limited) (listed on the Stock Exchange, stock code: 1069.HK), primarily responsible for the company secretarial matters. From 20 March 2026 to present, he has been serving as an independent non-executive director of Skymission Group Holdings Limited (listed on the Stock Exchange, stock code: 1429), primarily responsible for providing independent judgement to the board. From 2 December 2025 to present, he has been serving as an independent non-executive director of Anhui Jinyan Kaolin New Materials Co., Ltd (listed on the Stock Exchange, stock code: 2693.HK).

From March 2022 to June 2023, he served as an independent non-executive director of Contel Technology Company Limited (listed on the Stock Exchange, stock code: 1912.HK), primarily responsible for providing independent judgement to the board. From January 2022 to September 2025, he served as an independent non-executive director of Capital Finance Holdings Limited (listed on the Stock Exchange, stock code: 8239.HK), primarily responsible for providing independent judgement to the board. From July 2020 to present, he has been serving as an independent non-executive director of Leader Education Limited (listed on the Stock Exchange,

stock code: 1449.HK), primarily responsible for providing independent judgement to the board. From September 2019 to September 2023, he served as an independent non-executive director of Sanxun Holdings Group Limited (listed on the Stock Exchange, stock code: 6611.HK), primarily responsible for providing independent judgement to the board. From May 2019 to April 2020, he served as the chief financial officer and company secretary of Heysea Yachts Holdings Company Limited, primarily responsible for overseeing finance and accounts operations. From January 2019 to present, he has been serving as a joint company secretary of Centenary United Holdings Limited (listed on the Stock Exchange, stock code: 1959.HK), primarily responsible for the company secretarial matters and coordination of investor relations.

From January 2019 to May 2019, he served as the company secretary of Sino Vision Worldwide Holdings Limited (formerly known as DX.com Holdings Limited) ("**Sino Vision**") (was listed on the Stock Exchange and delisted in June 2023, stock code: 8086.HK), primarily responsible for the company secretarial matters. From August 2017 to September 2018, he served as an independent non-executive director of Sino Vision, primarily responsible for providing independent judgement to the board. From September 2016 to March 2019, he served as an executive director and chief financial officer (from April 2018 to January 2019) and a non-executive director (from September 2016 to April 2018 and from January 2019 to March 2019) of Shenzhen Mingwah Aohan High Technology Corporation Limited (was listed on the Stock Exchange and delisted in December 2021, former stock code: 8301.HK), primarily responsible for managing the company's overall affairs. From May 2015 to April 2018, he served as financial controller of KPa-BM Holdings Limited (listed on the Stock Exchange, stock code: 2663.HK), primarily responsible for the financial reporting, treasury and financial control matters. From March 2011 to April 2015, he served as the financial controller of Naigai Mining (China) Company Limited* (內外礦業(中國)有限公司), primarily responsible for financial reporting and other financial matters.

From August 2007 to February 2011, he served as assistant manager — assurance of JBPP & Company (formerly known as Grant-Thornton and later merged with BDO Limited), primarily responsible for audit services. From June 2006 to July 2007, he served as assistant accountant of Oriental Resource Enterprises Limited, primarily responsible for accounting, taxation, company secretarial matters, trading documentation and other related services. From November 2004 to June 2006, he served as assistant accountant of New Universe Holdings Limited, primarily responsible for the overall accounting operations.

Mr. Chan obtained a higher diploma in accountancy, a bachelor of arts degree in accountancy and a master of corporate governance degree from The Hong Kong Polytechnic University in December 2006, December 2007 and October 2013, respectively.

Mr. Chan was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in February 2011 and is currently registered as a certified public accountant (practising). Mr. Chan was admitted to graduateship of The Institute of Chartered Secretaries & Administrators in December 2016 and was admitted as an associate of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) in November 2019.

Saved as disclosed above, Mr. Chan does not have any current or past directorships in any listed companies in the last three years.

Disclosure required under Rule 13.51(2) of the Listing Rules

Save as disclosed above and elsewhere in this Document, each of our Directors confirms with respect to himself or herself that: (i) he or she did not hold directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) there is no other information that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules; and (iii) to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders as at the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 25 April 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiary or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

SENIOR MANAGEMENT

Dr. Chen Bo (陳波博士), aged 51, was appointed as our Deputy General Manager on 25 April 2025. Dr. Chen has been appointed as a deputy general manager of Janbon Colloidal Materials since March 2021. Dr. Chen is principally responsible for leading the research and development projects of our Group.

Dr. Chen has over 23 years of experience in research and development.

Prior to joining our Group, from November 2011 to May 2020, Dr. Chen served as a lecturer of Shandong University National Engineering Research Centre for Colloidal Materials* (山東大學國家膠體材料工程技術研究中心), a secondary unit with independent establishment for the construction of key project of science and technology, directly under the Shandong University* (山東大學), primarily responsible for research and education of university students. He also obtained work experience in Xiantao Zhongxing Electronic Material Co., Ltd.* (湖北仙桃中星電子材料有限公司).

Dr. Chen obtained a bachelor's degree in chemical process from Northwest University (西北大學) in the PRC in July 1996 and further obtained a doctor's degree in nanomaterials chemistry from Shandong University (山東大學) in the PRC in December 2010.

In December 2024, Dr. Chen was accredited as a senior engineer (高級工程師) by the Bureau of Human Resources and Social Security (人力資源和社會保障局) of Jinan City of Shandong Province of the PRC.

Dr. Chen was awarded the 4th "Impact Jinan" Science and Technology Personality Pioneer Award for Science and Innovation* (第四屆「影響濟南」科技人物科創先鋒獎) by the "Impact Jinan" Economic Figures of the Year Award Organising Committee* (「影響濟南」年度經濟人物評選組委會) in July 2023.

Dr. Chen is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Liu Xiaoyong (劉小勇先生), aged 39, was appointed as our Deputy General Manager on 25 April 2025. Mr. Liu joined Janbon Colloidal Materials as a department manager in June 2016 and was subsequently appointed as a deputy general manager of Janbon Colloidal Materials in February 2022. Mr. Liu is principally responsible for business operations and procurement of our Group.

Mr. Liu has over 16 years of experience in business operation and management.

Prior to joining our Group, from March 2014 to June 2016, Mr. Liu served as the head of the office of the president of Shandong Jianbang Investment Management Co., Ltd.* (山東建邦投資管理有限公司), primarily responsible for general administration matters. From May 2012 to March 2014, he worked at Shandong Hi-function Energy Technology Co., Ltd.* (山東紅帆能源科技有限公司). From October 2009 to April 2012, he worked at Shandong Lanhai Hotel Management Co., Ltd.* (山東藍海酒店管理股份有限公司).

Mr. Liu obtained a bachelor's degree in e-commerce from Shandong Institute of Finance (山東財政學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in the PRC in June 2009.

Mr. Liu was awarded as a 2023 "Advanced Individual" in Science and Technology* (二〇二三年度科技創新工作「先進個人」稱號) by the Tianqiao District Science and Innovation Committee Office* (天橋區科創委辦公室) of the Tianqiao District Science and Technology Bureau* (天橋區科學技術局) in March 2024.

Mr. Liu is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Tian Kui (田奎先生), aged 44, was appointed as our Chief Sales Officer on 25 April 2025. Mr. Tian has been appointed as the head of sales of Janbon Colloidal Materials since November 2013 and was subsequently appointed in February 2022 as the manager of the sales department of Janbon Colloidal Materials. Mr. Tian is principally responsible for managing customers and sales of our Group.

Mr. Tian has over 12 years of experience in sales management.

Mr. Tian obtained a diploma in international business from Xijing Vocational College* (西京職業學院) (currently known as Xijing University (西京學院)) in the PRC in July 2004.

Mr. Tian is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Zhao Qingliang (趙慶亮先生), aged 41, was appointed as our Business Director on 25 April 2025. Mr. Zhao was appointed as the head of administration of Janbon Colloidal Materials from May 2013 to May 2016 and subsequently the head of general management department from October 2017 to January 2022 and the business director from January 2022. Mr. Zhao is principally responsible for market development and external cooperation of our Group.

Mr. Zhao has over 15 years of experience in technology management, sales and marketing.

Prior to joining our Group, Mr. Zhao worked as the head of technology department at China Nuclear Industry Huaxing Construction Company Limited* (中國核工業華興建設有限公司) from 2008 to 2011. He served as the marketing business unit manager at Shandong Weiji Carbon-tech Co., Ltd.* (山東偉基炭科技有限公司) from December 2011 to March 2013.

Mr. Zhao obtained a bachelor's degree in metal materials engineering from Shandong University of Science and Technology (山東科技大學) in the PRC in June 2008.

Mr. Zhao was recognised as a Chinese Associate Constructor (中國二級建造師) by the Department of Human Resources and Social Security of Guangdong Province (廣東省人力資源和社會保障廳) and Department of Housing and Urban-Rural Development of Guangdong Province (廣東省住房和城鄉建設廳) in October 2012. In February 2022, Mr. Zhao was accredited as a mid-level engineer (中級工程師) by the Bureau of Human Resources and Social Security (人力資源和社會保障局) of Jinan City of Shandong Province of the PRC.

Mr. Zhao was a supervisor of the following enterprise at the time or within 12 months from the time of its dissolution or commencement of dissolution procedure (otherwise than by a members' voluntary winding up). The relevant details are as follows:

Enterprise Name	Place of incorporation/ establishment	Last Position	Principal business before dissolution	Date of dissolution	Means of dissolution	Reasons for dissolution
Jinan Yishang Trading Co., Ltd.* (濟南逸上商貿有限公司)	PRC	Supervisor	Among other things, wholesale and retail: food, daily necessities, edible agricultural products, etc.	1 March 2019	Deregistration	Cessation of business

Mr. Zhao confirmed that (i) to the best of his knowledge, the above enterprise was solvent immediately prior to its deregistration and had no outstanding liabilities on or before its deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above enterprise, (iii) the enterprise had not been involved in any material non-compliance incidents, claims, litigations or legal proceedings; (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration; and (v) no misconduct or misfeasance had been involved on his part in the deregistration of the above enterprise.

Mr. Zhao is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Luo Weiwei (駱偉偉先生), aged 42, was appointed as our Chief Production Officer on 25 April 2025. Mr. Luo was appointed as a sales manager of Janbon Colloidal Materials from October 2013 to October 2016 and subsequently a production manager from October 2016 to January 2022 and the chief production officer from February 2022. Mr. Luo is principally responsible for managing the production process of our Group.

Mr. Luo has over 16 years of experience in engineering and production management.

Prior to joining our Group, Mr. Luo worked at Shandong Linuo Solar Power Holdings Co., Ltd.* (山東力諾太陽能電力股份有限公司) from January 2010 to September 2013.

Mr. Luo obtained a bachelor's degree in materials chemistry from East China University of Technology (東華理工大學) in the PRC in July 2009.

Mr. Luo is not and has not been a director of any other listed companies in Hong Kong or overseas in the past three years.

JOINT COMPANY SECRETARIES

Ms. Meng Haiqing (孟海清女士) was appointed as our joint company secretary in [•] 2026. For her biographical details, see "Board of Directors — Executive Directors" in this section.

Ms. Wong Wing Yee (黃詠儀女士) was appointed as our joint company secretary in [•] 2026. Ms. Wong is a Manager of Corporate Services of Vistra Corporate Services (HK) Limited. Ms. Wong has over eight years of experience in the corporate services industry.

Ms. Wong has been an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom since June 2022.

Ms. Wong obtained a bachelor of arts (Chinese) from The Lingnan University in November 2015.

From 18 August 2024 to present, Ms. Wong has been serving as a company secretary of TYK Medicines, Inc (listed on the Stock Exchange, stock code: 2410.HK).

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the Articles of Association and the Listing Rules, we have established the audit committee, remuneration committee and nomination committee.

Audit Committee

The audit committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules ("**Corporate Governance Code**").

The audit committee consists of Mr. Chan Ngai Fan, Dr. Cui Haitao and Ms. Xu Qian. The chairman of the audit committee is Mr. Chan Ngai Fan, who holds the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

Remuneration Committee

The remuneration committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

The remuneration committee consists of Ms. Xu Qian, Dr. Cui Haitao and Ms. Meng Haiqing. The chairlady of the remuneration committee is Ms. Xu Qian.

Nomination Committee

The nomination committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

The nomination committee consists of Mr. Chen, Dr. Cui Haitao and Ms. Xu Qian. The chairman of the nomination committee is Mr. Chen.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

We recognise the particular importance of gender diversity on our Board which currently includes two female Directors. We are committed Our Board Diversity Policy requires our Board to take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time after the [REDACTED]. In particular, taking into account the business needs of our Group and changing circumstances, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such

female individuals who possess qualities to become our Board members, which will be periodically reviewed by our nomination committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. Female representatives of our investors will also be considered as potential candidates for Board appointments. We will also ensure gender diversity in mid- to senior-level recruitment and provide targeted training to capable female employees in areas such as business operations, management, accounting, finance and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run. This merit-based approach, aligned with stakeholders' expectations and international and local recommended best practices, will help us achieve an appropriate balance of gender diversity in the long term for the benefit of our Company and our Shareholders.

Our Directors have a balanced mix of knowledge and skills, including in business and operational management, accounting and financial management and legal. The ages of our Directors range from 33 years old to 56 years old, and we have both male and female representatives on the Board. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board.

Our nomination committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our nomination committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

REMUNERATION OF OUR DIRECTORS AND STAFF

For the three years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the aggregate amount of salaries and other allowances, discretionary bonus, retirement scheme contributions, other social welfare and benefits in kind (if applicable) paid by our Group to our Directors amounted to approximately RMB2.27 million, RMB2.64 million, RMB4.27 million and RMB1.82 million, respectively.

The remuneration and benefits in kind (if applicable) received by the five highest-paid individuals (including Directors) for the three years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026 were approximately RMB4.74 million, RMB5.64 million, RMB7.92 million and RMB3.24 million, respectively.

Under the arrangements currently in force within our Group, our Company estimates that the aggregate remuneration (including fees, salaries, allowances, pension-defined contribution plans and other benefits in kind where applicable) of our Directors (including independent non-executive Directors in their capacity as Directors), excluding any discretionary benefits or bonuses or other fringe benefits, for the year ending 31 December 2026 will be approximately RMB4.76 million.

During the Track Record Period, no remuneration was paid by our Group to, or receivable by, our Directors, past directors or our five highest-paid individuals (i) as an inducement to join or upon joining our Group or (ii) for loss of any office as a director or a supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. In addition, none of our Directors had waived any remuneration during the Track Record Period. Save as disclosed hereinabove, no other payments have been paid, or are payable, by our Company or any of its subsidiary to our Directors or our five highest-paid individuals during the Track Record Period.

Our policy concerning the remuneration of our Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to our Group. See section headed "Statutory and General Information — C. Further

information about our Directors and Substantial Shareholder — 3. Particulars of Directors' service contracts and letters of appointment" in Appendix VI to this Document for further details of the terms of the service contracts and letters of appointment.

COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, we have appointed Zhongtai International Capital Limited as our compliance adviser. The compliance adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us in the following circumstances:

(i) before the publication of any regulatory announcement, circular, or financial report;

(ii) where a transaction, which might constitute a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this Document; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares or any other matters under Rule 13.09 and 13.10 of the Listing Rules.

The term of appointment of the compliance adviser shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

CORPORATE GOVERNANCE CODE

Our Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability. Our Company expects to comply with the Corporate Governance Code and the associated Listing Rules after [REDACTED] and our Company's corporate governance practices have complied with the Corporate Governance Code as at the Latest Practicable Date.

SUBSTANTIAL SHAREHOLDER

SUBSTANTIAL SHAREHOLDER

So far as our Directors are aware, immediately following completion of the [REDACTED] (taking no account of any H Shares which may be issued upon the exercise of the [REDACTED]), the following persons will have an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares as at the Latest Practicable Date	Approximate % of shareholding as at the Latest Practicable Date	Number of Shares immediately upon completion of [REDACTED]	Approximate % of shareholding immediately upon completion of [REDACTED]
Mr. Chen[(2)]	Beneficial Owner	88,886,900	72.99%	[REDACTED]	[REDACTED]

Notes:

1. All interests stated are long positions.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following the [REDACTED] (taking no account of any H Shares which may be issued upon the exercise of the [REDACTED]), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

SHARE CAPITAL

SHARE CAPITAL

This section presents certain information regarding out share capital before and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As at the Latest Practicable Date, the registered share capital of our Company was RMB121,773,015 comprising 121,773,015 [REDACTED] Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] and conversion of [REDACTED] Shares into H Shares, the share capital of our Company will be as follows:

Description of Shares	Number of Shares (assuming [REDACTED] is not exercised)	Approximate percentage to total share capital (assuming [REDACTED] is not exercised)	Number of Shares (assuming the [REDACTED] is fully exercised)	Approximate percentage to total share capital (assuming [REDACTED] is fully exercised)
H Shares converted from [REDACTED] Shares	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%	[REDACTED]	100%

OUR SHARES

The H Shares in issue following the completion of the [REDACTED] and the [REDACTED] Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC.

RANKING

Upon the completion of the [REDACTED] and conversion of [REDACTED] Shares into H Shares, our Shares will consist of H Shares [REDACTED].

Both [REDACTED] Shares and H Shares are ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles. [REDACTED] Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR [REDACTED] SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council and the Articles, the holders of [REDACTED] Shares may, at their own discretion, authorize the Company to file with the CSRC for conversion of their [REDACTED] Shares into overseas-[REDACTED] Shares. Such converted Shares could be [REDACTED] as H Shares on the Stock Exchange, provided that prior to the conversion and [REDACTED] of such H Shares, any

requisite internal approval process has been duly completed and all the filing procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion and [REDACTED] of such converted Shares, have been consummated. In addition, such conversion and [REDACTED] shall comply with the regulations, requirements and procedures prescribed by the Stock Exchange.

Please refer to "Risk Factors — Risks Related to the [REDACTED] — Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material and adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future."

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) announced by the CSRC, the domestic shareholders of [REDACTED] Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of the [REDACTED] Shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

For details of circumstances under which our Shareholders' general meeting and class Shareholders' meeting are required, see "Summary of the Articles of Association" in Appendix V to this Document.

FINANCIAL INFORMATION

*You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for each of the years/period ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026 included in the Accountants' Report set out in Appendix I to this Document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this Document.*

OVERVIEW

We are a prominent silver powder supplier in China with over a decade of operational experience and integrated research, development, production, and sales capabilities. Our silver powder products are primarily used in the production of PV silver paste, a crucial raw material in manufacturing PV cells. One of our key strengths lies in our ability to produce 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.

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 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.

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the historical financial information consistently throughout the years ended 31

December 2023, 2024, and 2025 and the five months ended 31 May 2026. For more information on the basis of preparation of the financial information included herein, please refer to note 2.2 to the Accountants' Report in Appendix I to this Document.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and, financial condition have been, and are expected to continue to be, affected by the following key factors:

End Markets that We Serve and Our Customer Relationship

During the Track Record Period, we derived most of our revenue from manufacturing and selling silver powder used in the production of PV silver paste, a crucial raw material in the manufacturing of PV cells. Accordingly, our results of operations have been and are expected to continue to be affected by downstream demand for PV silver paste and PV cells.

With the increasing emphasis on renewable energy and the continuous advancement of PV technologies, the production scale of PV silver paste and PV cells continues to expand. According to Frost & Sullivan, from 2021 to 2025, the production volume of PV silver pastes in China increased from approximately 3.2 thousand tonnes to 7.2 thousand tonnes, with a CAGR of 22.5%, and is expected to reach approximately 11.3 thousand tonnes in 2030, growing at a CAGR of 9.4% from 2025 to 2030. From 2021 to 2025, the production volume of PV cells in China increased from 198.0 GW to 660.1 GW, with a CAGR of 35.1%, and is expected to reach 1,226.2 GW by 2030, with a CAGR of 13.2% from 2025 to 2030. However, there is no guarantee that the demand for PV silver paste and PV cells, and in turn our silver powder products, will remain at previous levels or continue to grow in the future. The following sensitivity analysis illustrates the effects of hypothetical fluctuations in our sales volume on our gross profit for the years/period indicated, assuming all other factors affecting our gross profit had remained unchanged:

	Increase/decrease in our gross profit for the year ended 31 December			Increase/ decrease in our gross profit for the five months ended 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Change in our sales volume				
+/–5%	5,632	6,726	11,586	4,409
+/–10%	11,268	13,382	23,172	8,818
+/–15%	16,905	20,037	34,758	13,227
+/–20%	22,542	26,693	46,344	17,637

In addition, our ability to maintain long-term and stable relationships with our key customers is critical to our business and financial performance. 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 2025 represented approximately 50% of the market share by PV silver paste sales revenue in China during the same year. A loyal and growing customer base is expected to drive our sales volume growth, thereby capitalising on the growth of downstream demand for PV silver paste and PV cells, consolidating our strong market position and improving our revenue and profit margins.

Silver Price

Any fluctuation in silver price may directly affect our revenue, cost, gross profit and gross profit margin. We price 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 for our customers and directly affects our

revenue. Silver nitrate is our primary raw material. Our cost of raw materials constituted the major component of our cost of sales during the Track Record Period, amounting to RMB2,654.4 million, RMB3,797.2 million, RMB4,808.4 million, RMB1,361.9 million, and RMB3,959.7 million and representing 99.3%, 99.4%, 99.5%, 99.4%, and 99.7% of our cost of sales for the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, respectively. During the same years/period, 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.

Silver price is typically subject to volatility caused by external conditions such as market supply and demand. As a result, we are exposed to the market risk of price fluctuation. We currently do not hedge against any fluctuation in silver price. The following sensitivity analysis illustrates the effects of hypothetical fluctuations in silver price on our revenue for the years/period indicated, assuming all other factors affecting our revenue had remained unchanged:

	Increase/decrease in our revenue for the year ended 31 December			**Increase/ decrease in our revenue for the five months ended 31 May**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Change in silver price				
+/–5%	130,294	189,628	244,305	189,081
+/–10%	260,589	379,256	488,611	378,161
+/–15%	390,883	568,883	732,916	567,242
+/–20%	521,178	758,511	977,221	756,323

Note: Silver price for the purpose of this sensitivity analysis is based on the average Ag(T + D) price (the trading price for silver spot deferred delivery contracts) quoted on the Shanghai Gold Exchange, being RMB4.9 thousand per kg, RMB6.4 thousand per kg, RMB8.6 thousand per kg, and RMB17.9 thousand per kg in 2023, 2024, and 2025 and the five months ended 31 May 2026, respectively, according to Frost & Sullivan.

To manage the risk of fluctuation in silver price, 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, effectively limiting our exposure to the fluctuations in the prevailing silver price. 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. As such, assuming all other variables remain constant, fluctuations in the price of silver will not materially impact our gross profit. Therefore, no sensitivity analysis on the fluctuation of the silver price is provided. However, if we are unable to implement our sales and procurement order strategy effectively, our revenue, cost, gross profit and gross profit margin may fluctuate, and our business, results of operations and financial condition may be materially and adversely affected.

Competition and Pricing

Although we achieved a prominent market position with respect to silver powder production in China, we face intense competition from other domestic and global manufacturers in the silver powder production industry in China. We believe that our competitive advantages stem from 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 top-tier PV silver paste manufacturers. However, intensified competition or our inability to sustain our competitive advantages may adversely affect our financial performance.

Our pricing strategy directly affects our revenue, gross profit margins, and overall financial performance. We price our silver powder products by adding a mark-up to the price of silver. See "Business — Sales and Marketing — Pricing Policy" for details of our pricing policy. If we are required to maintain our competitive positions by lowering the mark-ups of our products, our profitability may be materially and adversely affected. For instance, according to Frost & Sullivan, the intensified competition in China's PV silver powder industry led to a general decline in mark-ups in the market in 2024, following which we also reduced our mark-ups. This was a significant factor contributing to the decrease in our gross profit margin for the sales of products from 3.8% in 2023 to 3.2% in 2024. See "Review of Historical Results of Operations — Year Ended 31 December 2024 Compared to Year Ended 31 December 2023 — Gross Profit and Gross Profit Margin". In addition, according to Frost & Sullivan, the industry-wide mark-ups for PV silver powder generally decreased by approximately 2% to 10% in 2025, compared to 2024. Furthermore, as we may charge different mark-ups for our different silver powder product series, any change in our product mix may impact our overall revenue and gross profit margin.

The following sensitivity analysis illustrates the effects of hypothetical fluctuations in the average selling price of our silver powder products on our revenue for the years/period indicated, assuming all other factors affecting our revenue had remained unchanged:

	Increase/decrease in our revenue for the year ended 31 December			Increase/ decrease in our revenue for the five months ended 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Change in average selling price of our silver powder products				
+/–5%	137,825	192,440	246,608	200,056
+/–10%	275,650	384,879	493,216	400,112
+/–15%	413,475	577,319	739,824	600,168
+/–20%	551,299	769,758	986,431	800,225

Research and Development

The silver powder market is characterised by ongoing technological development, an expanding array of product types, shifting customer demands, frequent introductions and enhancements of new products. Our success hinges upon our ability to refine our existing product offerings to address fast-changing customer needs, adapt to technological and competitive developments, efficiently execute research and development initiatives, and timely introduce new products.

We have invested substantial resources in research and development. For 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%, 52.1%, 51.9%, and 71.5% of our operating expenses for the same years/period. Through our dedicated research and development efforts, we have accumulated technical advantages in the field of silver powder production. 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 technologies and processes. We aim to continuously optimise the performance of existing products through ongoing research and

development efforts. However, a significant amount of research and development expenses or any failure to generate sufficient gross profit to cover our research and development expenses could materially and adversely affect our results of operations.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRS, which requires us to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the consolidated financial information and the reported amounts of revenue and expenses during the financial reporting period. As the use of estimates is an integral component of the financial reporting process, actual results in subsequent financial reporting that differ from estimates could result in deviations from previous financial reporting. For details of our material accounting policies, significant accounting judgements and estimates, see notes 2.4 and 3 to the Accountants' Report in Appendix I to this Document.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountants' Report included in Appendix I to this Document:

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

NON-IFRS MEASURES

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

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

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

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

	For the year ended 31 December			For the five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Profit for the year/period	59,890	79,082	168,523	19,125	55,713
Add back:					
Equity-settled share award expense[(1)]	2,038	2,447	2,447	1,019	1,019
[REDACTED][(2)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year/period (non-IFRS measure)	**61,928**	**86,784**	**182,959**	**24,268**	**58,102**

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

Notes:

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

(2) [REDACTED] represent expenses relating to this [REDACTED].

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Revenue

Our sources of revenue encompass revenue derived from (i) sales of products which includes silver powder and others, as well as (ii) processing services for 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. We recognise revenue from sales of products on gross basis as we are the principal that controls the products before transferring the products to customers and is liable for the storage, damage and loss of the products, assumes the price fluctuation risks of the products and promises to provide the products pursuant to the contract terms.

The following table sets forth a breakdown our revenue by product and service types for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
REVENUE										
Sales of products	**2,780,179**	**99.9**	**3,943,547**	**99.8**	**5,059,780**	**99.9**	**1,403,777**	**99.6**	**4,048,832**	**100.0**
Silver powder	*2,756,497*	*99.1*	*3,848,791*	*97.4*	*4,932,158*	*97.3*	*1,352,243*	*96.0*	*4,001,122*	*98.8*
Others(Note)	*23,682*	*0.8*	*94,756*	*2.4*	*127,622*	*2.6*	*51,534*	*3.6*	*47,710*	*1.2*
Processing services	**1,507**	**0.1**	**6,073**	**0.2**	**6,725**	**0.1**	**5,444**	**0.4**	**1,654**	**0.0**
Total	**2,781,686**	**100**	**3,949,620**	**100**	**5,066,505**	**100**	**1,409.221**	**100**	**4,050,486**	**100.0**

Note: Others primarily include silver powder generated as scrap or substandard products during our production and research processes, which we sell as recyclable precious metals.

Cost of Sales

Our cost of sales primarily consists of (i) costs of raw materials, (ii) manufacturing overheads, (iii) direct labour costs and (iv) depreciation.

The following table sets forth the breakdown of our cost of sales by revenue stream for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Cost of sales										
Sales of products	2,673,860	100	3,815,453	99.9	4,827,272	99.9	1,367,307	99.8	3,968,946	100.0
Processing services	580	0.0	3,369	0.1	3,239	0.1	2,648	0.2	776	0.0
Total	**2,674,440**	**100**	**3,818,822**	**100**	**4,830,511**	**100**	**1,369,955**	**100**	**3,969,722**	**100**

The following table sets forth the breakdown of our cost of sales by nature for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Cost of sales										
Cost of raw materials	2,654,442	99.3	3,797,189	99.4	4,808,370	99.5	1,361,917	99.4	3,959,653	99.7
Manufacturing overheads	10,364	0.4	11,634	0.3	14,283	0.3	4,807	0.4	6,520	0.2
Direct labour cost	4,513	0.1	4,976	0.1	5,135	0.1	2,178	0.2	2,419	0.1
Depreciation	2,085	0.1	1,805	0.1	1,740	0.1	667	0.0	737	0.0
Others	3,036	0.1	3,218	0.1	983	0.0	386	0.0	393	0.0
Total	**2,674,440**	**100**	**3,818,822**	**100**	**4,830,511**	**100**	**1,369,955**	**100**	**3,969,722**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth the breakdown of our gross profit and gross profit margin by product and service types for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Sales of products	106,319	3.8	128,094	3.2	232,508	4.6	36,470	2.6	79,886	2.0
Processing services	927	61.5	2,704	44.5	3,486	51.8	2,796	51.4	878	53.1
Total	**107,246**	**3.9**	**130,798**	**3.3**	**235,994**	**4.7**	**39,266**	**2.8**	**80,764**	**2.0**

The gross profit margin for processing services is generally higher than our gross profit margin for the sales of products because we price our silver powder products by adding a mark-up to the prevailing silver price to account for our processing of silver nitrate or silver ingots into silver powder. The prevailing silver market price generally constitutes a relatively high proportion of the total price we charge our customers as compared to the mark-up we charge for the products. On the other hand, for processing services, PV silver powder products are manufactured and supplied to customers using silver ingots provided by them and we only charge a processing fee for our service, leading to a higher gross profit margin in general.

Other Income

Our other income primarily consist of government grants representing mainly incentives awarded by the PRC local government authorities to support our operation, for example, value-added tax additional deductions and incentives in support of our R&D activities, and bank interest income. The following table sets forth a breakdown of our other income for the years/periods indicated:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants	2,096	10,781	22,922	3,839	8,603
Bank interest income	597	591	871	226	780
Others	12	9	124	122	14
Total	**2,705**	**11,381**	**23,917**	**4,187**	**9,397**

Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) employee benefit expenses, (ii) equity-settled share award expense, (iii) product sampling expenses for providing samples to customers free of charge, (iv) travel expenses and (v) others which primarily consist of entertainment expenses.

The following table sets forth a breakdown of our selling and marketing expenses for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Selling and marketing expenses										
Employee benefit expenses	533	69.8	563	74.6	866	75.1	248	60.3	386	89.4
Equity-settled share award expense	46	6.0	55	7.2	55	4.8	23	5.6	25	5.7
Product sampling expenses	70	9.2	48	6.4	195	16.9	128	31.1	5	1.2
Travel expenses	77	10.1	30	4.0	13	1.1	2	0.5	1	0.2
Others	37	4.9	59	7.8	24	2.1	10	2.5	15	3.5
Total	**763**	**100**	**755**	**100**	**1,153**	**100**	**411**	**100**	**432**	**100**

Administrative Expenses

Our administrative expenses consist of (i) [REDACTED], (ii) employee benefit expenses, (iii) professional services expenses which primarily consist of financial consulting, valuation and legal fees, (iv) depreciation and amortisation, (v) equity-settled share award expense, (vi) office expenses and (vii) others which primarily consist of business hospitality expenses.

The following table sets forth a breakdown of our administrative expenses for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Administrative expenses										
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expenses	4,350	56.9	4,865	33.2	8,610	35.4	2,162	28.0	3,523	53.7
Professional services expenses	671	8.8	1,213	8.3	277	1.1	127	1.6	234	3.6
Depreciation and amortisation	943	12.3	1,021	7.0	985	4.0	435	5.6	437	6.7
Equity-settled share award expense	731	9.6	877	6.0	877	3.6	365	4.7	364	5.5
Office expenses	409	5.4	874	6.0	476	2.0	224	2.9	195	3.0
Others	536	7.0	531	3.6	1,138	4.7	287	3.8	439	6.6
Total	**7,640**	**100**	**14,636**	**100**	**24,352**	**100**	**7,724**	**100**	**6,562**	**100**

Research and Development Expenses

Our research and development expenses primarily consist of (i) cost of raw materials, (ii) employee benefit expenses, (iii) equity-settled share award expense, (iv) depreciation and amortisation, (v) testing and inspection expenses for testing and inspecting our research and development tools and product samples and (vi) others which primarily consist of consulting fees.

The following table sets forth a breakdown of our research and development expenses by nature for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Research and development expenses										
Cost of raw materials	18,567	75.0	19,208	72.6	18,552	66.6	5,373	61.3	14,441	82.1
Employee benefit expenses	3,716	15.0	4,135	15.6	5,109	18.4	1,740	19.9	1,788	10.2
Equity-settled share award expense	1,124	4.5	1,340	5.1	1,339	4.8	558	6.4	557	3.2
Depreciation and amortisation	920	3.7	614	2.3	1,079	3.9	411	4.7	521	3.0
Testing and inspection expenses	339	1.4	424	1.6	1,339	4.8	516	5.9	170	1.0
Others	88	0.4	736	2.8	421	1.5	165	1.8	105	0.5
Total	**24,754**	**100**	**26,457**	**100**	**27,839**	**100**	**8,763**	**100**	**17,582**	**100**

(Impairment losses)/reversal of impairment losses on financial assets, net

Our net impairment losses on financial assets represent net impairment losses on trade receivables and other receivables. For the years ended 31 December 2023 and 2024, our net impairment losses on financial assets were RMB0.6 million and RMB0.7 million, respectively. For the year ended 31 December 2025 and the five months ended 31 May 2025 and 2026, we did not record any net impairment losses on financial assets nor net reversal of impairment losses on financial assets.

Other Expenses

Our other expenses consist of fair value changes on bills receivables and losses on disposal of items of property, plant and equipment. For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our other expenses were RMB4.4 million, RMB4.5 million, RMB7.3 million, RMB4.1 million, and RMB2.1 million, respectively.

Finance Costs

Our finance costs consist of interest on interest-bearing bank and other borrowings and interest on lease liabilities. For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our finance costs were RMB5.0 million, RMB6.6 million, RMB3.6 million, RMB1.0 million, and RMB1.4 million, respectively.

Income Tax Expenses

For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, we recorded income tax expenses of RMB6.8 million, RMB10.8 million, RMB27.2 million, RMB2.4 million, and RMB6.4 million, respectively.

Under the EIT Law and its implementation regulations, the enterprise income tax rate applicable to Janbon Colloidal Materials, our operating subsidiary, was 25% during the Track Record Period. Janbon Colloidal Materials was accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2021, with its certification extended in December 2024 for a further three-year period up to December 2027. Therefore, it was entitled to a preferential enterprise income

tax rate of 15% during the Track Record Period. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years. See note 10 to the Accountants' Report set out in Appendix I to this Document for further details on the applicable tax rate we were subject to during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, our Directors were not aware of any outstanding enquiry, audit, investigation, challenge or penalty from tax authorities in relation to our tax filings.

Profit for the Year/Period and Net Profit Margin

For the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2025 and 2026, our profit for the year/period was RMB59.9 million, RMB79.1 million, RMB168.5 million, RMB19.1 million, and RMB55.7 million, respectively, and our net profit margin was 2.2%, 2.0%, 3.3%, 1.4%, and 1.4% for the respective years/periods.

We carried accumulated losses of RMB59.0 million as of 1 January 2023, primarily attributable to our strategy of continuously investing in and focusing on the research and development on the commercial production of PV silver powder since December 2012, while we had not achieved a sufficient level of economies of scale before 2022. We adopted this strategy in order to improve our product qualities and performances, meet diverse and evolving customer needs, lay the foundation for achieving greater economies of scale, and improve operational leverage and profitability in the long run, the benefits of which required time to come into fruition. Following our years of continuous investment and efforts, we have developed an independent and comprehensive system of silver powder production technology and processes, with full proprietary intellectual property rights. We believe that these have enabled us to gain recognition from prominent PV silver paste manufacturers such as Customer B and Changzhou Fusion (常州聚和), which began their business relationship with us in 2018 and 2019, respectively. Our research and development efforts have further successfully facilitated the adaptation of our silver powder products to various changes and advancements in PV cell technology which we believe has made our silver powder products a substitute for imported products. Furthermore, in recent years, PV silver powder produced by China's domestic manufacturers has gradually obtained market recognition, with the localisation rate of China's PV silver powder industry in terms of sales volume increasing from 37.0% in 2021 to 96.7% in 2025, according to Frost & Sullivan. This further contributed to our increased business scale and economies of scale. As a result of the foregoing, we recorded a profit for the year of RMB59.9 million for the year ended 31 December 2023, and 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.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Five Months Ended 31 May 2026 Compared to Five Months Ended 31 May 2025

Revenue

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, primarily as a result of the increase in our revenue derived from the sales of products.

Our revenue derived from the sales of products increased by RMB2,645.0 million, or 188.4%, from RMB1,403.8 million for the five months ended 31 May 2025 to RMB4,048.8 million for the five months ended 31 May 2026, primarily as a result of the general increase in the market price of silver and the increase in the sales volume of our silver powder products. According to Frost & Sullivan, the average price of PV silver powder in China increased from RMB7.3 thousand per kg for the five months ended 31 May 2025 to RMB18.1 thousand per kg for the five months ended 31 May 2026.

The sales volume of our silver powder products increased by 24,691 kg, or 13.2%, from 186,502 kg for the five months ended 31 May 2025 to 211,193 kg for the five months ended 31 May 2026, primarily due to an increase in purchase orders from existing customers.

Our revenue derived from the sales of other products, representing primarily silver powder generated as scrap or substandard products during our production and research processes which we sold as recyclable precious metals, decreased by RMB3.8 million, or 7.4%, from RMB51.5 million for the five months ended 31 May 2025 to RMB47.7 million for the five months ended 31 May 2026. Such decrease was primarily attributable to a decrease in the sales volume of scrap silver powder, primarily due to improved production processes that reduced scrap generation, and certain scrap silver powder being processed into silver nitrate through outsourced processing arrangements during the five months ended 31 May 2026 rather than being sold as scrap, partially offset by the general increase in the market price of silver during the same periods as described above.

Our revenue derived from processing services decreased by RMB3.7 million, or 68.5%, from RMB5.4 million for the five months ended 31 May 2025 to RMB1.7 million for the five months ended 31 May 2026.

Cost of Sales

Our total cost of sales increased by RMB2,599.7 million, or 189.8%, from RMB1,370.0 million for the five months ended 31 May 2025 to RMB3,969.7 million for the five months ended 31 May 2026, primarily as a result of the increase in our cost of raw materials, which was generally in line with the increase in our revenue from the sales of products. The increase in our cost of raw materials was primarily driven by the increase in volume of silver nitrate, our primary raw material, used for producing our products that were sold and the general increase in the market price of silver nitrate.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit increased by RMB41.5 million, or 105.7%, from RMB39.3 million for the five months ended 31 May 2025 to RMB80.8 million for the five months ended 31 May 2026. Our overall gross profit margin decreased from 2.8% for the five months ended 31 May 2025 to 2.0% for the five months ended 31 May 2026, primarily due to the decrease in our gross profit margin for the sales of products.

Our gross profit for the sales of products increased by RMB43.4 million, or 119.0%, from RMB36.5 million for the five months ended 31 May 2025 to RMB79.9 million for the five months ended 31 May 2026. The gross profit margin for the sales of products decreased from 2.6% for the five months ended 31 May 2025 to 2.0% for the five months ended 31 May 2026, primarily as a result of the general increase in the market price of silver during the same periods as described above, and, to a lesser extent, temporary pricing mismatches between the procurement cost of silver nitrate and the selling prices of our silver powder products amid significant volatility in silver prices, which delayed the full reflection of higher raw material costs in product selling prices.

Our gross profit for processing services decreased by RMB1.9 million, or 68.6%, from RMB2.8 million for the five months ended 31 May 2025 to RMB0.9 million for the five months ended 31 May 2026. The gross profit margin for processing services remained relatively stable at 51.4% for the five months ended 31 May 2025 and 53.1% for the five months ended 31 May 2026.

Other Income

Our other income increased by RMB5.2 million, or 124.4%, from RMB4.2 million for the five months ended 31 May 2025 to RMB9.4 million for the five months ended 31 May 2026, primarily as a result of an increase of government grants of RMB4.8 million mainly from value-added tax additional deductions which was generally in line with the expansion of our businesses.

Selling and Marketing Expenses

Our selling and marketing expenses remained stable at RMB0.4 million for the five months ended 31 May 2025 and 2026.

Administrative Expenses

Our administrative expenses decreased by RMB1.1 million, or 14.2%, from RMB7.7 million for the five months ended 31 May 2025 to RMB6.6 million for the five months ended 31 May 2026, primarily due to a decrease of the [REDACTED] of RMB[REDACTED] in connection with the [REDACTED], partially offset by an increase in employee benefit expenses of RMB1.4 million as we increased the average remuneration of our administrative personnel in connection with our business growth.

Research and Development Expenses

Our research and development expenses increased by RMB8.8 million, or 100.6%, from RMB8.8 million for the five months ended 31 May 2025 to RMB17.6 million for the five months ended 31 May 2026, primarily as a result of an increase in cost of raw materials of RMB9.1 million for our research and development projects mainly due to the general increase in the market price of silver during the same periods as described above.

(Impairment losses)/reversal of impairment losses on financial assets, net

For the five months ended 31 May 2025 and 2026, we did not record any net impairment losses on financial assets nor net reversal of impairment losses on financial assets.

Other Expenses

Our other expenses decreased by RMB2.0 million, or 48.8%, from RMB4.1 million for the five months ended 31 May 2025 to RMB2.1 million for the five months ended 31 May 2026, primarily attributable to the decrease in fair value losses on bills receivables due to a decreased use of bills receivable discounting.

Finance Costs

Our finance costs increased by RMB0.4 million, or 37.5%, from RMB1.0 million for the five months ended 31 May 2025 to RMB1.4 million for the five months ended 31 May 2026, primarily as a result of an increase in interest on interest-bearing bank borrowings attributable to the higher average balance of such borrowings during the five months ended 31 May 2026 as compared to the corresponding period in 2025.

Income Tax Expenses

Our income tax expenses increased by RMB4.0 million, or 170.8%, from RMB2.4 million for the five months ended 31 May 2025 to RMB6.4 million for the five months ended 31 May 2026, primarily attributable to the substantial increase in our profit before tax. Our effective tax rate decreased from 11.0% for the five months ended 31 May 2025 to 10.4% for the five months ended 31 May 2026, primarily due to an increase in deductible allowance for research and development expenses. Our effective tax rates for the five months ended 31 May 2025 and 2026 were lower than the preferential enterprise income tax rate of 15% primarily because we benefited from additional deductible allowance for qualified research and development expenses.

Profit for the Period and Net Profit Margin

As a result of the foregoing, our profit for the period increased by RMB36.6 million, or 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. Our net profit margin remained stable at 1.4% for the five months ended 31 May 2025 and 2026.

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

Revenue

Our total revenue increased by RMB1,116.9 million, or 28.3%, from RMB3,949.6 million in 2024 to RMB5,066.5 million in 2025, primarily as a result of the increase in our revenue derived from the sales of products.

Our revenue derived from the sales of products increased by RMB1,116.3 million, or 28.3%, from RMB3,943.5 million in 2024 to RMB5,059.8 million in 2025, primarily as a result of an increase in sales revenue of silver powder from RMB3,848.8 million to RMB4,932.2 million. Such increase was driven by the general increase in the market price of silver, partially offset by a slight decrease in the sales volume of our silver powder products from 594,072 kg in 2024 to 570,279 kg in 2025, or a decrease of 4.0%. According to Frost & Sullivan, the average price of PV silver powder in China increased from RMB6.5 thousand per kg in 2024 to RMB8.8 thousand per kg in 2025, representing an increase of 35.4%.

The slight decrease in the sales volume of our silver powder products was primarily due to our strategic focus on maintaining the brand image of our advanced silver powder in the face of intense market competition. This approach has resulted in a modest reduction in sales volume, as we generally adhered to our customer payment terms and were generally more prudent in lowering our mark-up levels as compared to industry average. Specifically, in 2025, in line with our positioning as an advanced silver powder supplier, we generally maintained our approach of not offering credit terms, requiring payments before or upon delivery of our products. In 2025, the mark-ups of our silver powder products generally ranged from RMB220 to RMB270 per kg, compared with RMB240 to RMB270 per kg in 2024, representing a decrease of approximately 3.9% based on the midpoint of the range, depending on the product series. According to Frost & Sullivan, some industry players offer lower mark-ups than ours and/or credit terms ranging from a few days to four weeks. As a result, some customers turned to other suppliers, leading to a minor decline in the overall sales volume of our silver powder products. Furthermore, according to Frost & Sullivan, despite overall market expansion for silver powder in 2025, competition has intensified primarily as the number of market participants increased from less than 20 as of 31 December 2024 to nearly 30 as of 31 December 2025. In addition, the slight decrease in the sales volume of our silver powder products was partially attributable to some customers fulfilling slightly more of their product needs by shifting from purchasing our silver powder products to utilising our processing services, where the silver powder processed is not included in the sales volume of our silver powder products. Specifically, revenue from our processing services increased from RMB6.1 million in 2024 to RMB6.7 million in 2025. We intend to scale this activity flexibly in response to specific customer needs and our revenue and profitability objectives, and do not expect it to increase significantly in the near term. According to Frost & Sullivan, there is no industry-wide trend toward expansion or contraction of processing services, and our approach in this regard aligns with prevailing industry practice.

Our revenue derived from the sales of other products, representing primarily silver powder generated as scrap or substandard products during our production and research processes which we sold as recyclable precious metals, increased by RMB32.8 million, or 34.7%, from RMB94.8 million in 2024 to RMB127.6 million in 2025. Such increase was primarily attributable to the general increase in the market price of silver from 2024 to 2025 as described above, as well as an increase in the sales volume of scrap silver powder.

Our revenue derived from processing services increased by RMB0.6 million, or 9.8%, from RMB6.1 million in 2024 to RMB6.7 million in 2025.

Cost of Sales

Our total cost of sales increased by RMB1,011.7 million, or 26.5%, from RMB3,818.8 million in 2024 to RMB4,830.5 million in 2025, primarily as a result of the increase in our cost of raw materials, which was generally in line with the increase in our revenue from the sales of products. The increase in our cost of raw materials was primarily driven by the general increase in the market price of silver.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit increased by RMB105.2 million, or 80.4%, from RMB130.8 million in 2024 to RMB236.0 million in 2025. Our overall gross profit margin increased from 3.3% in 2024 to 4.7% in 2025, primarily due to the increase in our gross profit margin for the sales of products.

Our gross profit for the sales of products increased by 104.4 million, or 81.5%, from RMB128.1 million in 2024 to RMB232.5 million in 2025. The gross profit margin for the sales of products increased from 3.2% in 2024 to 4.6% in 2025, primarily as a result of (i) our enhanced control over raw material costs, which reduced our unit procurement costs for silver nitrate and certain auxiliary raw materials, (ii) our continuous R&D efforts to improve production efficiency, resulting in lower unit consumption of certain auxiliary raw materials, (iii) a decrease in the unit cost of gas, and (iv) an increase in sales of products with lower silver content, partially offset by (i) the impact of the general increase in the market price of silver and (ii) intensified competition in China's PV silver powder industry in 2025, which led to a general decline in mark-ups in the market. According to Frost & Sullivan, the average price of PV silver powder in China increased from RMB6.5 thousand per kg in 2024 to RMB8.8 thousand per kg in 2025, representing an increase of 35.4%, while industry-wide mark-ups for PV silver powder generally decreased by approximately 2% to 10% in 2025 as compared to 2024.

Our gross profit for processing services increased by 0.8 million, or 28.9%, from RMB2.7 million in 2024 to RMB3.5 million in 2025. The gross profit margin for processing services increased from 44.5% in 2024 to 51.8% in 2025, primarily due to economies of scale and a decrease in our average cost.

Other Income

Our other income increased by RMB12.5 million, or 110.1%, from RMB11.4 million in 2024 to RMB23.9 million in 2025, primarily as a result of an increase of government grants of RMB12.1 million mainly from value-added tax additional deductions which was generally in line with the expansion of our businesses.

Selling and Marketing Expenses

Our selling and marketing expenses increased by RMB0.4 million, or 52.7%, from RMB0.8 million in 2024 to RMB1.2 million in 2025, primarily due to (i) an increase of RMB0.3 million in employee benefit expenses as we increased the average remuneration of our selling and marketing personnel; and (ii) an increase of RMB0.1 million in product sampling expenses as we provided more free samples to customers.

Administrative Expenses

Our administrative expenses increased by RMB9.8 million, or 66.8%, from RMB14.6 million in 2024 to RMB24.4 million in 2025, primarily due to (i) an increase of the [REDACTED] of RMB[REDACTED] in connection with the [REDACTED], and (ii) an increase in employee benefit expenses of RMB3.7 million as we hired more administrative personnel and increased the average remuneration of our administrative personnel in connection with our business growth.

Research and Development Expenses

Our research and development expenses increased by RMB1.3 million, or 5.2%, from RMB26.5 million in 2024 to RMB27.8 million in 2025, primarily as a result of (i) an increase in employee benefit expenses of RMB1.0 million as we increased the average remuneration of our research and development personnel in connection with our business growth, and (ii) an increase in testing and inspection fees of RMB0.9 million.

(Impairment losses)/reversal of impairment losses on financial assets, net

We recorded net reversal of impairment losses on financial assets of RMB0.7 million in 2024, as the loss allowance for impairment of trade receivables of RMB0.6 million recognised in 2023 was reversed in 2024. In 2025, we did not record any net impairment losses on financial assets nor net reversal of impairment losses on financial assets.

Other Expenses

Our other expenses increased by RMB2.8 million, or 59.5%, from RMB4.5 million in 2024 to RMB7.3 million in 2025, primarily attributable to the increase in fair value losses on bills receivables due to an increased use of bills receivable discounting and a higher average discount rate of the bills receivables in 2025.

Finance Costs

Our finance costs decreased by RMB3.0 million, or 45.0%, from RMB6.6 million in 2024 to RMB3.6 million in 2025, primarily as a result of a decrease in interest on interest-bearing bank and other borrowings representing interest losses arising from discounting bank acceptance bills to certain banks. We considered our Group has retained the substantial risks and rewards of the relevant bills including default risks. As there remained a risk of recourse by the billholders, the relevant bills had not met the conditions for derecognition, and therefore we continued to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received. The interest losses arising from discounting such bank acceptance bills were recorded as interest on interest-bearing and other borrowings. As we have implemented a policy of only accepting bank acceptance bills issued by Banks with Good Credit Standing since January 2025, such that the relevant bills had met the conditions for derecognition when they were discounted or endorsed by us, our interest on interest-bearing bank and other borrowings for 2025 represented only interest losses arising from discounting bank acceptance bills that had not been derecognised as of 31 December 2024 and the relevant bills had been derecognised by March 2025.

Income Tax Expenses

Our income tax expenses increased by RMB16.4 million, or 152.0%, from RMB10.8 million in 2024 to RMB27.2 million in 2025, primarily attributable to the substantial increase in our profit before tax. Our effective tax rate increased from 12.0% in 2024 to 13.9% in 2025, primarily due to additional tax expenses in 2025 arising from taxes payable in respect of prior years following the completion of the 2025 annual tax settlement process. Our effective tax rates in 2024 and 2025 were lower than the preferential enterprise income tax rate of 15% primarily because we benefited from additional deductible allowance for qualified research and development expenses.

Profit for the Period and Net Profit Margin

As a result of the foregoing, our profit for the year increased by RMB89.4 million, or 113.1%, from RMB79.1 million in 2024 to RMB168.5 million in 2025. Our net profit margin was 2.0% and 3.3% in 2024 and 2025, respectively.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Revenue

Our total revenue increased by RMB1,167.9 million, or 42.0%, from RMB2,781.7 million in 2023 to RMB3,949.6 million in 2024, primarily as a result of the increase in our revenue derived from the sales of products.

Our revenue derived from the sales of products increased by RMB1,163.3 million, or 41.8%, from RMB2,780.2 million in 2023 to RMB3,943.5 million in 2024, primarily as a result of an increase in sales revenue of silver powder from RMB2,756.5 million to RMB3,848.8 million due to the increase in sales volume of silver powder from 529,760 kg to 594,072 kg. Such increase was driven by three primary factors. First, it was driven by the rapid development of the PV industry in which our silver powder has downstream applications as supported by favourable government policies for strategic emerging industries such as new energy and new materials which further promoted the development of PV industry. According to Frost & Sullivan, the sales revenue of PV silver powder in China increased from RMB28.1 billion in 2023 to RMB38.7 billion in 2024.

Second, the increase was driven by our continuous efforts in responding to evolving customer and product requirements, as well as advancements in PV cell technology, as facilitated by the continued localisation of the entire PV cell production chain in China in substitution for imported goods. According to Frost & Sullivan, the localisation rate of PV silver powder in China in terms of sales volume increased from 70.4% in 2023 to 83.3% in 2024. For example, amid advancements in PV cell technology, the sales revenue and sales volume of our *152–20*, *152–10N*, *158–16K* and *156–14L* product series which met evolving customer and product requirements substantially increased further in 2024. For details of the sales volume information for our top five silver powder product series for each of the years during the Track Record Period, see "Business — Our Products and Services — Product Series — Sales Volume Information of Product Series".

Third, the increase was driven by the general increase in the market price of silver. According to Frost & Sullivan, the average price of PV silver powder in China increased from RMB5.2 thousand per kg in 2023 to RMB6.5 thousand per kg in 2024.

Our revenue derived from the sales of other products, representing primarily silver powder generated as scrap or substandard products during our production and research processes which we sold as recyclable precious metals, increased by RMB71.1 million, or 300.1%, from RMB23.7 million in 2023 to RMB94.8 million in 2024, primarily attributable to our research and development initiatives on an increased number of product series which led to more silver powder generated as scrap.

Our revenue derived from processing services increased by RMB4.6 million, or 303.0%, from RMB1.5 million in 2023 to RMB6.1 million in 2024.

Cost of Sales

Our total cost of sales increased by RMB1,144.4 million, or 42.8%, from RMB2,674.4 million in 2023 to RMB3,818.8 million in 2024, primarily as a result of the increase in our cost of raw materials, which was generally in line with the increase in our revenue from the sales of products. The increase in our cost of raw materials was primarily driven by the increase in volume of silver nitrate, our primary raw material, used for producing our products that were sold and the general increase in the market price of silver nitrate.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit increased by RMB23.6 million, or 22.0%, from RMB107.2 million in 2023 to RMB130.8 million in 2024. Our overall gross profit margin decreased from 3.9% in 2023 to 3.3% in 2024, primarily due to the decrease in our gross profit margin for the sales of products.

Our gross profit for the sales of products increased by RMB21.8 million, or 20.5%, from RMB106.3 million in 2023 to RMB128.1 million in 2024. The gross profit margin for the sales of products decreased from 3.9% in 2023 to 3.2% in 2024, primarily as a result of the intensified competition of the PV silver powder industry in China in 2024 which led to a general decline in mark-ups in the market according to Frost & Sullivan and the general increase in the market price of silver. According to Frost & Sullivan, the average price of PV silver powder in China increased from RMB5.2 thousand per kg in 2023 to RMB6.5 thousand per kg in 2024.

Our gross profit for processing services increased by RMB1.8 million, or 191.7%, from RMB0.9 million in 2023 to RMB2.7 million in 2024. The gross profit margin for processing services decreased from 61.5% in 2023 to 44.5% in 2024, primarily due to the intensified competition of the PV silver powder industry in China in 2024 which led to a general decline in mark-ups in the market according to Frost & Sullivan.

Other Income

Our other income increased by RMB8.7 million, or 320.7%, from RMB2.7 million in 2023 to RMB11.4 million in 2024, primarily as a result of an increase of government grants of RMB8.7 million mainly from value-added tax additional deductions which was generally in line with the expansion of our businesses.

Selling and Marketing Expenses

Our selling and marketing expenses remained stable at RMB0.8 million in 2023 and 2024.

Administrative Expenses

Our administrative expenses increased by RMB7 million, or 92.1%, from RMB7.6 million in 2023 to RMB14.6 million in 2024, primarily due to (i) the recognition of [REDACTED] of RMB[REDACTED] in 2024 in connection with the [REDACTED], (ii) an increase in professional services expenses of RMB0.5 million for legal and consulting services, (iii) an increase in employee benefit expenses of RMB0.5 million as we hired more administrative personnel and increased the average remuneration of our administrative personnel in connection with our business growth and (iv) an increase in office expenses of RMB0.5 million for our greening and landscape improvement works.

Research and Development Expenses

Our research and development expenses increased by RMB1.7 million, or 6.9%, from RMB24.8 million in 2023 to RMB26.5 million in 2024, primarily as a result of (i) an increase in cost of raw materials of RMB0.6 million for our research and development projects, (ii) an increase in consulting fees of RMB0.5 million as we engaged an independent third party to provide technical support for our research and development initiatives, and (iii) an increase in employee benefit expenses of RMB0.4 million as we hired more research and development personnel and increased the average remuneration of our research and development personnel in connection with our business growth and our increased investment in research and development.

(Impairment losses)/reversal of impairment losses on financial assets, net

We recorded net reversal of impairment losses on financial assets of RMB0.7 million in 2024 as compared to net impairment losses on financial assets of RMB0.6 million in 2023, as the loss allowance for impairment of trade receivables of RMB0.7 million recognised in 2023 was reversed in 2024, and we only had small amounts of trade and other receivables as of 31 December 2024 which led to a corresponding decrease in expected credit losses.

Other Expenses

Our other expenses remained stable at RMB4.4 million and RMB4.5 million in 2023 and 2024, respectively.

Finance Costs

Our finance costs increased by RMB1.6 million, or 31.3%, from RMB5.0 million in 2023 to RMB6.6 million in 2024, primarily as a result of an increase in interest on interest-bearing bank and other borrowings representing interest losses arising from discounting bank acceptance bills to certain banks. We considered our Group has retained the substantial risks and rewards of the relevant bills including default risks. As there remained a risk of recourse by the billholders, the relevant bills had not met the conditions for derecognition, and therefore we continued to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received. The interest losses arising from discounting such bank acceptance bills were recorded as interest on interest-bearing and other borrowings. The increase in interest on interest-bearing bank and other borrowings was partially offset by the lower interest rates from which we benefited for bank borrowings.

Income Tax Expenses

Our income tax expenses increased by RMB4.0 million, or 57.8%, from RMB6.8 million in 2023 to RMB10.8 million in 2024, primarily attributable to the substantial increase in our profit before tax. Our effective tax rate increased from 10.2% in 2023 to 12.0% in 2024, primarily due to an increase in our profit before tax and a decrease in deductible allowance for research and development expenses. Our effective tax rates in 2023 and 2024 were lower than the preferential enterprise income tax rate of 15% primarily because we benefited from additional deductible allowance for qualified research and development expenses.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by RMB19.2 million, or 32.1%, from RMB59.9 million in 2023 to RMB79.1 million in 2024. Our net profit margin was 2.2% and 2.0% in 2023 and 2024, respectively.

SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	36,084	37,820	41,325	38,937
Right-of-use assets	31,018	30,150	29,282	28,920
Intangible assets	136	75	85	58
Prepayments, other receivables and other assets	467	4,147	267	403
Deferred tax assets	9,597	—	—	—
Total non-current assets	**77,302**	**72,192**	**70,959**	**68,318**
CURRENT ASSETS				
Inventories	73,007	121,485	126,497	228,605
Trade and bills receivables	94,092	175,421	44,647	79,764
Prepayments, other receivables and other assets	505	2,121	3,806	4,887
Tax recoverable	—	288	—	7,430
Cash and cash equivalents	10,799	29,447	190,380	178,492
Pledged deposits	—	26,977	86,640	126,940
Total current assets	**178,403**	**355,739**	**451,970**	**626,118**
CURRENT LIABILITIES				
Trade and bills payables	391	57,753	186,799	325,337
Other payables and accruals	9,151	17,942	31,606	15,939
Interest-bearing bank borrowings	151,716	206,260	5,650	—
Tax payable	—	—	17,999	—
Total current liabilities	**161,258**	**281,955**	**242,054**	**341,276**
NET CURRENT ASSETS	**17,145**	**73,784**	**209,916**	**284,842**
TOTAL ASSETS LESS CURRENT LIABILITIES	**94,447**	**145,976**	**280,875**	**353,160**
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	—	—	106,220	—
Total non-current liabilities	—	—	106,220	—
Net assets	**94,447**	**145,976**	**174,655**	**353,160**
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	—	—	—	121,773
Reserves	94,447	145,976	174,655	231,387
Total equity	**94,447**	**145,976**	**174,655**	**353,160**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of buildings, machinery, leasehold improvements, vehicles, electronic devices and other equipment. Our property, plant and equipment increased from RMB36.1 million as of 31 December 2023 to RMB37.8 million as of 31 December 2024, primarily due to additions of machinery and equipment for expanding our production facilities in line with our business growth, partially offset by disposals of obsolete facilities and depreciation. Our property, plant and equipment increased further to RMB41.3 million as of 31 December 2025,

primarily due to additions of machinery for production and research and development uses, partially offset by depreciation. Our property, plant and equipment decreased to RMB38.9 million as of 31 May 2026, primarily due to depreciation and disposals of obsolete facilities.

Right-of-use Assets

Our right-of-use assets primarily consist of the leasehold land for our production plant. Our right-of-use assets remained stable at RMB31.0 million, RMB30.2 million, RMB29.3 million, and RMB28.9 million as of 31 December 2023, 2024, and 2025 and 31 May 2026, respectively.

Deferred Tax Assets

Our deferred tax assets primarily arise from tax losses, impairment losses on financial assets and provision for inventories. Our deferred tax assets decreased from RMB9.6 million as of 31 December 2023 to nil as of 31 December 2024 and 2025 and 31 May 2026.

Inventories

Our inventories primarily consist of finished goods, raw materials and consumables, goods in transit and work in progress. The table below sets forth our inventories as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Inventories				
Finished goods	44,494	94,062	122,898	192,174
Raw materials and consumables	16,304	21,163	1,445	8,310
Goods in transit	7,361	4,595	143	6,313
Work in progress	5,363	1,665	2,011	21,808
Less: provision for impairment	515	—	—	—
Total	**73,007**	**121,485**	**126,497**	**228,605**

Our inventories increased from RMB73.0 million as of 31 December 2023 to RMB121.5 million as of 31 December 2024, primarily due to the increase in finished goods and raw materials and consumables as (i) we increased our procurement and production and accumulated more inventories to meet our sales orders having taken into account the Chinese New Year holidays which fell in late January 2025, and (ii) the average price of silver nitrate, the key raw material for our silver powder production, increased in 2024. Our inventories remained relatively stable at RMB126.5 million as of 31 December 2025. Our inventories increased to RMB228.6 million as of 31 May 2026, primarily due to (i) an increase in finished goods attributable to the general increase in the market price of silver as of 31 May 2026 as compared to 31 December 2025, and (ii) an increase in work in progress, resulting from normal fluctuations in the production cycle, which resulted in a higher proportion of high-value work in progress, together with the general increase in the market price of silver, each as of 31 May 2026 as compared to 31 December 2025.

The following is an aging analysis of our inventories as of the dates indicated:

	As of 31 December									As of 31 May		
	2023			2024			2025			2026		
	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total	Within one year	Over one year	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	44,428	66	44,494	93,965	97	94,062	122,897	1	122,898	192,174	—	192,174
Raw materials and consumables	15,935	369	16,304	21,107	56	21,163	1,386	59	1,445	8,251	59	8,310
Goods in transit	7,361	—	7,361	4,595	—	4,595	143	—	143	6,313	—	6,313
Work in progress	5,363	—	5,363	1,665	—	1,665	2,011	—	2,011	21,808	—	21,808
Total	**73,087**	**435**	**73,522**	**121,332**	**153**	**121,485**	**126,437**	**60**	**126,497**	**228,546**	**59**	**228,605**

Our inventories are stated at the lower of cost and net realisable value. We write down our inventories based on estimates of the realisable value with reference to the ageing and condition of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories are reviewed quarterly for write-down, if appropriate. As of 31 December 2023, 2024, and 2025 and 31 May 2026, we recorded provision for impairment of inventories, being auxiliary raw materials for our silver powder production that aged more than one year, of RMB0.5 million, nil, nil, and nil, respectively.

The following table sets forth our inventory turnover days for the years/period indicated:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
Inventory turnover days*(Note)*	5.8	9.3	9.4	6.8

Note: We calculate inventory turnover days using the average of the beginning and ending balances of inventories for the relevant year/period, divided by the corresponding cost of sales for the year/period, multiplied by 365 days for a full year period or 151 days for an five-month period.

Our inventory turnover days slightly increased from 5.8 days for the year ended 31 December 2023 to 9.3 days for the year ended 31 December 2024 and further, to 9.4 days for the year ended 31 December 2025, primarily due to the increase in year-end balances of inventories. Our inventory turnover days decreased to 6.8 days for the five months ended 31 May 2026, primarily attributable to a significant increase in cost of sales resulting from higher silver prices, while the average inventory balance increased to a lesser extent due to relatively low inventory levels at the beginning of the year.

Trade and Bills Receivables

Our trade and bills receivables primarily represent the outstanding amounts due to us from our customers for our products. Our trading terms with customers are mainly on payment in advance, except for some transactions such as exceptional sales with executive approval which are traded on credit. The balances of our trade receivables are non-interest-bearing. Bills receivables represent bank acceptance bills that are unconditionally accepted by banks within the maturity period. Bills receivables are measured at fair value through profit or loss. We seek to maintain strict control over our outstanding receivables, with oversight by our Chief Financial Officer to minimise credit risk. Overdue balances are reviewed regularly by our senior management.

The following table sets forth our trade and bills receivables as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables				
Trade receivables	13,017	—	—	—
Bills receivables	81,726	175,421	44,647	79,764
Less: provision for impairment	651	—	—	—
Total	**94,092**	**175,421**	**44,647**	**79,764**

Our trade and bills receivables as of 31 December 2023, 2024, and 2025 and 31 May 2026 were RMB94.1 million, RMB175.4 million, RMB44.6 million, and RMB79.8 million, respectively. We had trade and bills receivables of RMB94.1 million as of December 2023. For trade receivables, it was primarily because we agreed to have payment from a major customer deferred in late 2023 at its request having considered its creditworthiness and our amicable business relationship, the balance of which was settled by the customer in January 2024. For bills receivables, it was primarily because we discounted bank acceptance bills received from a major customer in late 2023 to certain banks. We considered our Group has retained the substantial risks and rewards of the relevant bills including default risks. As there remained a risk of recourse by the billholders, the relevant bills had not met the conditions for derecognition, and therefore we continued to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received. Our trade and bills receivables increased to RMB175.4 million as of 31 December 2024, primarily due to the increase in our bills receivables from (i) discounting bank acceptance bills to certain banks or endorsing bank acceptance bills to certain suppliers for settlement of trade payables. We considered our Group has retained the substantial risks and rewards of the relevant bills including default risks. As there remained a risk of recourse by the billholders, the relevant bills had not met the conditions for derecognition, and therefore we continued to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received or the associated trade payables settled (see "— Trade and Bills Payables"), and (ii) the increased bank acceptance bills at hand that had not been discounted nor endorsed by us, both resulting from our increased sales. Our trade and bills receivables decreased to RMB44.6 million as of 31 December 2025, due to the decrease in our bills receivables as we have implemented a policy of only accepting bank acceptance bills issued by Banks with Good Credit Standing since January 2025, such that the relevant bills had met the conditions for derecognition when they were discounted or endorsed by us, and the balance as of 31 December 2025 represents bank acceptance bills at hand that had not been discounted nor endorsed by us. Our trade and bills receivables increased to RMB79.8 million as of 31 May 2026, primarily due to the increase in our bills receivables from the increased bank acceptance bills at hand that had not been discounted nor endorsed by us.

We usually trade with our customers on a payment-before-or-upon delivery basis in the form of bank transfer or bank acceptance bills, thereby not offering any credit periods. In limited circumstances we may agree to have payment deferred for a short period of time. The following table sets forth the ageing analysis of our trade receivables as of the dates indicated, based on the invoice date and net of loss allowance:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within three months	12,366	—	—	—

The table below sets forth the maturity date analysis for bills receivables as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within three months	30,993	80,666	—	—
Three to six months	50,733	94,755	44,647	79,764
Total	**81,726**	**175,421**	**44,647**	**79,764**

In determining the recoverability of our trade receivables, our Group applies the simplified approach in calculating expected credit losses. Under the simplified approach, our Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Our Group has considered estimated loss rate based on historical observable default rates and study of each specific customer's default and recovery data from external credit-rating agency, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit loss rate for our trade receivables is 5%. In 2023, we recorded provision for impairment of trade receivables of RMB0.7 million, which was reversed in 2024. For the year ended 31 December 2025 and the five months ended 31 May 2026, we did not record any provision for impairment of trade receivables.

The following table sets forth our trade and bills receivables turnover days for the years/period indicated:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
Trade and bills receivables turnover days*(Note)*	6.2	12.5	7.9	2.3

Note: We calculate trade and bills receivables turnover days using the average of the beginning and ending balances of trade and bills receivables for the relevant year/period, divided by the corresponding revenue for the year/period, multiplied by 365 days for a full year period or 151 days for an five-month period.

Our trade and bills receivables turnover days increased from 6.2 days for the year ended 31 December 2023 to 12.5 days for the year ended 31 December 2024, primarily due to the increase in year-end balances of bills receivables. Our trade and bills receivables turnover days decreased to 7.9 days for the year ended 31 December 2025, primarily due to the decrease in year-end balances of bills receivables. Our trade and bills receivables turnover days further decreased to 2.3 days for the five months ended 31 May 2026, primarily due to the increase in our revenue for the period mainly caused by the general increase in the market price of silver.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute or disagreement with our customers in relation to the timing, amounts of billing or the collection of our trade and bills receivables.

Prepayments, Other Receivables and Other Assets

The non-current portion of our prepayments, other receivables and other assets consists of prepayments for property, plant and equipment and advance payments for employee training expenses for University of Jinan to establish the "Jianbang Class" for our personnel training and continuing education. The current portion of our prepayments, other receivables and other assets consists of prepayments for raw materials, deferred [REDACTED] and deductible input value-added tax. The expected credit loss rate for our financial assets included in prepayments, other receivables and other assets is 1.63%.

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion				
Prepayments for property, plant and equipment	—	3,780	—	178
Advance payments for employee training expenses	467	367	267	225
Current portion				
Prepayments	434	14	246	85
Other receivables	71	76	80	1,022
Deductible input value-added tax	—	954	—	—
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**972**	**6,268**	**4,073**	**5,290**

Our prepayments, other receivables and other assets as of 31 December 2023, 2024, and 2025 and 31 May 2026 were RMB1.0 million, RMB6.3 million, RMB4.1 million, and RMB5.3 million, respectively.

Our prepayments, other receivables and other assets increased from RMB1.0 million as of 31 December 2023 to RMB6.3 million as of 31 December 2024, primarily due to the (i) prepayments for property, plant and equipment that we had not received, (ii) deferred [REDACTED] which are expected to be deducted from equity upon [REDACTED] as they are directly attributable to the [REDACTED] of the Shares to the [REDACTED], and (iii) deductible input value-added tax. Our prepayments, other receivables and other assets decreased to RMB4.1 million as of 31 December 2025, primarily due to the decrease in prepayments for property, plant and equipment as we received the relevant property, plant and equipment in 2025, partially offset by the increase in deferred [REDACTED]. Our prepayments, other receivables and other assets increased to RMB5.3 million as of 31 May 2026, primarily due to an increase in other receivables, mainly attributable to a customs guarantee deposit in connection with a customer's processing business.

Cash and Cash Equivalents

Our cash and cash equivalents represent cash and bank balances. The bank balances are deposited with creditworthy banks with no recent history of default. Our cash and cash equivalents as of 31 December 2023, 2024, and 2025 and 31 May 2026 were RMB10.8 million, RMB29.4 million, RMB190.4 million, and RMB178.5 million, respectively. For a discussion on the changes in our cash and cash equivalents, see "— Liquidity and Capital Resources — Cash Flows."

Pledged Deposits

Our pledged deposits represent short term pledged deposits for bills payables. The pledged deposits are deposited with creditworthy banks with no recent history of default. As of 31 December 2023, 2024, and 2025 and 31 May 2026, our bills payables of nil, RMB27.0 million, RMB186.6 million, and RMB271.6 million were secured by the pledge of our deposits of nil, RMB27.0 million, RMB86.6 million, and RMB126.9 million, respectively.For a discussion on our bills payables, see "— Trade and Bills Payables" below.

Trade and Bills Payables

Our trade and bills payables primarily represent balances due to our suppliers for the procurement of raw materials and consumables. Our trade payables are non-interest-bearing and are normally settled within 30 days. Bills payables are aged within six months.

Our trade and bills payables as of 31 December 2023, 2024, and 2025 and 31 May 2026 were RMB0.4 million, RMB57.8 million, RMB186.8 million, and RMB325.3 million, respectively. Our trade and bills payables increased from RMB0.4 million as of 31 December 2023 to RMB57.8 million as of 31 December 2024, primarily because (i) our trade payables increased as we endorsed bank acceptance bills of RMB30.2 million to certain suppliers for settlement of trade payables. We considered our Group has retained the substantial risks and rewards of the relevant bills including default risks. As there remained a risk of recourse by the billholders, the relevant bills had not met the conditions for derecognition, and therefore we continued to recognise the full carrying amount of the relevant bills (see "— Trade and Bills Receivables" above) and the associated trade payables settled, and (ii) we recorded bills payables of RMB27.0 million as some suppliers began to accept payment by bank acceptance bills and therefore we utilised bank acceptance bills for better liquidity. Our trade and bills payables increased further to RMB186.8 million as of 31 December 2025, primarily because our bills payables increased as we increased our utilisation of bank acceptance bills for lower financing costs. Our trade and bills payables increased further to RMB325.3 million as of 31 May 2026, primarily due to higher raw material procurement costs resulting from the significant increase in silver prices and our increased use of bank acceptance bills as of and during the five months ended 31 May 2026.

The following table sets forth the ageing analysis of our trade payables as of the dates indicated, based on the transaction date:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within three months	391	30,776	199	53,737

The following table sets forth our trade and bills payables turnover days for the years/period indicated:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
Trade and bills payables turnover days*(Note)*	0.1	2.8	9.2	9.7

Note: We calculate trade and bills payables turnover days using the average of the beginning and ending balances of trade and bills payables for the relevant year/period, divided by the corresponding cost of sales for the year/period, multiplied by 365 days for a full year period or 151 days for an five-month period.

Our trade and bills payables turnover days was 0.1 days for the years ended 31 December 2023. Our trade and bills payables turnover days increased to 2.8 days for the year ended 31 December 2024, to 9.2 days for the year ended 31 December 2025 and further to 9.7 days for the five months ended 31 May 2026, primarily as a result of the increase in year/period-end balances of trade and bills payables.

During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our trade and bills payables.

Other Payables and Accruals

Our other payables and accruals primarily consist of payroll payable, contract liabilities representing short-term advances received from customers before we deliver the products, and deposit and other payables. Deposit and other payables are non-interest-bearing and are normally settled within one year. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other payables and accruals				
Payroll payable	3,492	3,331	8,072	2,812
Contract liabilities	2,506	9,871	12,288	6,799
Deposit and other payables	1,977	908	444	512
Other tax payables	1,176	626	6,518	2,544
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**9,151**	**17,942**	**31,606**	**15,939**

Our other payables and accruals as of 31 December 2023, 2024, and 2025 and 31 May 2026 were RMB9.2 million, RMB17.9 million, RMB31.6 million, and RMB15.9 million, respectively.

Our other payables and accruals increased from RMB9.2 million as of 31 December 2023 to RMB17.9 million as of 31 December 2024, primarily due to the increase in contract liabilities and accrued [REDACTED]. The increase in contract liabilities was primarily due to the increase in advance payments from customers for orders placed close to the year end, which was in line with our increased sales. Our other payables and accruals increased further to RMB31.6 million as of 31 December 2025, primarily due to (i) the increase in contract liabilities which represent advance payments from customers for orders placed close to the period end, (ii) an increase in other tax payables primarily due to a higher year-end VAT payable balance, as input VAT credits generated from procurement activities in 2024 largely offset VAT payable, whereas sales and procurement activities were more balanced in 2025, and (iii) an increase in payroll payable arising from increased average remuneration of our personnel in connection with our business growth. Our other payables and accruals decreased to RMB15.9 million as of 31 May 2026, primarily due to (i) a decrease in contract liabilities as customer advances received as of 31 December 2025 were substantially recognised as revenue following product delivery, (ii) a decrease in payroll payables following the payment of year-end bonuses accrued as of 31 December 2025, and (iii) a decrease in other tax payables following the settlement of value-added tax and other taxes in the ordinary course of business.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

The following table sets forth a summary of our liquidity and working capital as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT ASSETS				
Inventories	73,007	121,485	126,497	228,605
Trade and bills receivables	94,092	175,421	44,647	79,764
Prepayments, other receivables and other assets	505	2,121	3,806	4,887
Tax recoverable	—	288	—	7,430
Cash and cash equivalents	10,799	29,447	190,380	178,492
Pledged deposits	—	26,977	86,640	126,940
Total current assets	**178,403**	**355,739**	**451,970**	**626,118**
CURRENT LIABILITIES				
Trade and bills payables	391	57,753	186,799	325,337
Other payables and accruals	9,151	17,942	31,606	15,939
Interest-bearing bank borrowings	151,716	206,260	5,650	—
Tax payable	—	—	17,999	—
Total current liabilities	**161,258**	**281,955**	**242,054**	**341,276**
NET CURRENT ASSETS	**17,145**	**73,784**	**209,916**	**284,842**

As of 31 May 2026, we had net current assets of RMB284.8 million, as compared to RMB209.9 million as of 31 December 2025, primarily due increases in inventories and trade and bills receivables, partially offset by an increase in trade and bills payables.

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

As of 31 December 2024, we had net current assets of RMB73.8 million, as compared to RMB17.1 million as of 31 December 2023, primarily due to an increase in inventories.

Historically, we funded our operations and investment in research and development mainly with cash generated from our operating activities as well as investments from our shareholders and bank borrowings. Following our years of continuous investment and efforts, we have developed an independent and comprehensive system of silver powder production technology and processes, with full proprietary intellectual property rights. We achieved a turnaround from an accumulated losses position to an accumulated profits position and achievement of a net current assets position as of 31 December 2023. Our net current assets increased further to RMB73.8 million as of 31 December 2024, RMB209.9 million as of 31 December 2025 and RMB284.8 million as of 31 May 2026.

Cash Flows

During the Track Record Period and up to the Latest Practicable Date, we had funded our cash requirements principally from cash generated from our operating activities, investments from our shareholders and bank borrowings. As of 31 December 2023, 2024, and 2025 and 31 May 2026, we

had cash and cash equivalents of RMB10.8 million, RMB29.4 million, RMB190.4 million, and RMB178.5 million, respectively. The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years/periods indicated:

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

Net Cash Flows (Used in)/from Operating Activities

Our net cash flows used in/from operating activities consist of profit before tax adjusted for certain non-cash or non-operating activities related items and changes in working capital.

For the five months ended 31 May 2026, our net cash flows used in operating activities were RMB19.6 million, primarily attributable to profit before tax of RMB62.1 million, as adjusted for (i) non-cash items or non-operating items, which principally included depreciation of property, plant and equipment of RMB1.9 million, fair value changes on bills receivable of RMB1.5 million, finance costs of RMB1.4 million and equity-settled share award expense of RMB1.0 million, and (ii) changes in working capital of RMB56.7 million, which mainly represented an increase in inventories of RMB102.1 million, an increase in pledged deposits of RMB40.3 million, an increase in trade and bills receivables of RMB36.7 million, and (iii) income tax paid of RMB31.8 million, partially offset by an increase in trade and bills payables of RMB138.5 million.

For the year ended 31 December 2025, our net cash flows from operating activities were RMB291.4 million, primarily attributable to profit before tax of RMB195.7 million, as adjusted for (i) non-cash items or non-operating items, which principally included fair value changes on bills receivable of RMB7.2 million, depreciation of property, plant and equipment of RMB4.3 million and finance costs of RMB3.6 million, and (ii) changes in working capital of RMB86.1 million. Changes in working capital mainly represented an increase in trade and bills payables of RMB129.0 million, partially offset by an increase in pledged deposits of RMB59.7 million.

For the year ended 31 December 2024, our net cash flows used in operating activities were RMB369.3 million, primarily attributable to profit before tax of RMB89.9 million, as adjusted for (i) non-cash items or non-operating items, which principally included finance costs of RMB6.6 million, fair value changes on bills receivable of RMB4.5 million, depreciation of property, plan and equipment of RMB3.9 million and equity-settled share award expense of RMB2.4 million, and (ii) changes in working capital of RMB474.9 million. Changes in working capital mainly represented an increase in trade and bills receivables of RMB466.8 million and an increase in inventories of RMB48.0 million, partially offset by an increase in trade and bills payables of RMB57.4 million.

For the year ended 31 December 2023, our net cash flows used in operating activities were RMB211.4 million, primarily attributable to our profit before tax of RMB66.7 million, as adjusted for (i) non-cash items or non-operating items, which principally included finance costs of RMB5.0 million, depreciation of property, plan and equipment of RMB4.3 million, fair value changes on bills receivable of RMB3.5 million and equity-settled share award expense of RMB2.0 million, and (ii)

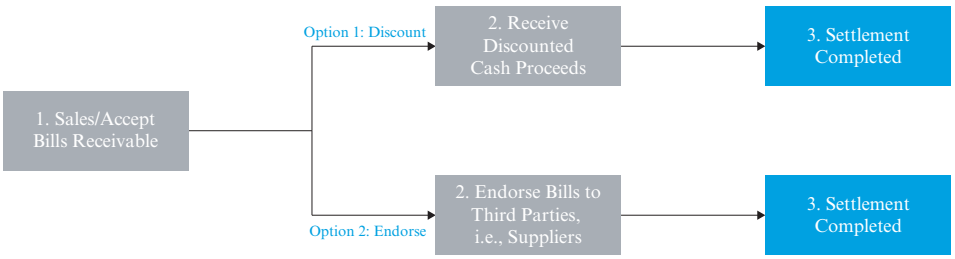
changes in working capital of RMB295.7 million. Changes in working capital mainly represented an increase in trade and bills receivables of RMB228.4 million, a decrease in other payables and accruals of RMB44.4 million and an increase in inventories of RMB32.0 million.

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

We consider that the discounting of bills receivables is a customary, efficient and cost-effective means of financing within the industry, which has brought a positive impact on our liquidity and profitability overall, taking into account (i) the fact that the interest rates for the discounting of our bills receivables were generally lower than the interest rates for our bank borrowings (excluding discounted bills) during the Track Record Period, indicating that it is a cheaper means of financing for the Company, (ii) the difference between the turnover days of our trade and bills receivables and those of our trade and bills payables during the Track Record Period, and (iii) according to Frost & Sullivan, it is an industry norm in the materials industry such as the PV silver powder industry to settle accounts using bank bills. In 2023, 2024, and 2025 and the five months ended 31 May 2026, the interest rates for the discounting of our bills receivables ranged from 1.19% to 2.80%, 0.4% to 2.6%, 0.3% to 1.9%, and 0.6% to 1.9%, while the interest rates for our bank borrowings (excluding discounted bills) ranged from 4.0% to 4.7%, 3.2% to 3.6%, 2.93%, and 2.93%, respectively. Our interest cost of discounting of our bills receivables during the Track Record Period was generally represented by the sum of interest losses arising from discounting bank acceptance bills included in finance costs and fair value changes on bills receivables included in other expenses, which amounted to RMB4.4 million, RMB7.6 million, RMB7.5 million, and RMB4.0 million for the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026, respectively. Our trade and bills receivables turnover days for the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026 were 6.2 days, 12.5 days, 7.9 days, and 2.3 days, respectively. In contrast, our trade and bills payables turnover days for the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026 were 0.1 days, 2.8 days, 9.2 days, and 9.7 days, respectively. We consider that discounting bills receivables manages the risk arising from such difference effectively as the cash received is immediately available for use.

Our settlement process of bank bills can be illustrated in the diagrams below:

Scenario 1: Bills issued by Banks with Good Credit Standing



Option 1:

Step 1: The Group provides goods or services to its customers from which bank bills are accepted.

Step 2: The Group transfers certain bank bills to banks in order to obtain cash from such banks.

Step 3: Settlement is completed immediately when the bill is discounted.

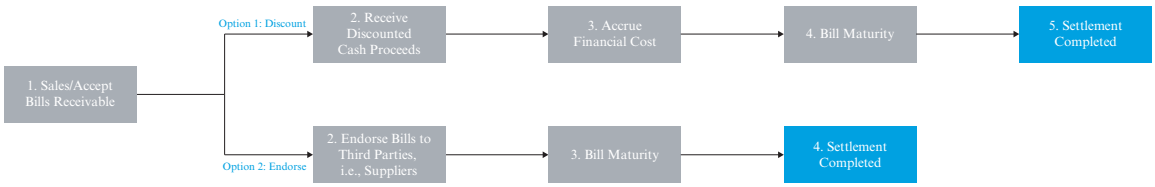
Option 2:

Step 1: The Group provides goods or services to its customers from which bills receivables are accepted.

Step 2: The Group endorses certain bills receivables to certain of its suppliers in order to settle the trade payables due to such suppliers.

Step 3: Settlement is completed immediately when the bill is endorsed to a third party.

Scenario 2: Bills issued by Other Banks



Option 1:

Step 1: The Group provides goods or services to its customers from which bank bills are accepted.

Step 2: The Group transfers certain bank bills to banks in order to obtain cash from such banks.

Step 3: Settlement is not finalised at the time of discounting. The Group needs to accrue financial cost.

Step 4: Settlement is completed only upon the bill's maturity.

Option 2:

Step 1: The Group provides goods or services to its customers from which bills receivable are accepted.

Step 2: The Group endorses certain bills receivable to certain of its suppliers in order to settle the trade payables due to such suppliers.

Step 3: Settlement is not finalised at the time of endorsement. Instead, the settlement process is completed only upon the bill's maturity.

Our different settlement arrangements of bank bills effectively optimise our liquidity position and working capital management. For bills issued by Banks with Good Credit Standing, discounting of such bills enables full derecognition upon completion of the discount process. This converts receivables into immediate cash and reduces trade and bill receivable turnover days, thereby improving cash availability. Endorsement of such bills allows us to directly settle trade payables without any cash outflow, thereby optimising our working capital structure and reducing reliance on cash reserves for daily operations. In respect of bills issued by Other Banks, we still achieve liquidity improvements despite associated financial costs and deferred final settlement. While discounting of such bills does not finalise settlement at the discount date and requires the accrual of financial costs, it improves short-term liquidity by bringing forward cash inflows prior to bill maturity. This reduces short-term capital tie-up, accelerates cash circulation, and strengthens our liquidity buffer. As to the endorsement of such bills, it enables us to settle supplier payables through existing bill receivables instead of cash, thereby easing short-term cash payment pressure and supporting working capital turnover.

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

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

Net Cash Flows Used in Investing Activities

Our net cash flows used in investing activities primarily consist of purchase of right-of-use assets, property, plant and equipment.

For the five months ended 31 May 2026, our net cash flows used in investing activities were RMB0.3 million, primarily attributable to purchases of items of property, plant, equipment of RMB0.4 million.

For the year ended 31 December 2025, our net cash flows used in investing activities were RMB4.5 million, primarily attributable to purchases of items of property, plant and equipment of RMB4.5 million.

For the year ended 31 December 2024, our net cash flows used in investing activities were RMB11.0 million, primarily attributable to purchases of items of property, plant and equipment of RMB11.1 million.

For the year ended 31 December 2023, our net cash flows used in investing activities were RMB27.8 million, primarily attributable to (i) payment of the remaining consideration in the amount of RMB16.0 million in 2023 for the purchases of right-of-use assets, representing the leasehold land for our production plant that we acquired in December 2022, and (ii) purchases of items of property, plant and equipment of RMB11.8 million.

Net Cash Generated from/(used in) Financing Activities

Our net cash generated from/used in financing activities consist of (i) new bank and other borrowings, (ii) repayment of bank and other borrowings, (iii) capital injection and (iv) dividend payment.

For the five months ended 31 May 2026, our net cash flows from financing activities were RMB8.0 million, primarily attributable to capital injection of RMB121.8 million, partially offset by repayment of bank borrowings of RMB111.9 million.

For the year ended 31 December 2025, our net cash flows used in financing activities were RMB126.0 million, primarily attributable to (i) deemed distribution upon the establishment of historical offshore structure of RMB142.3 million representing the payment of cash consideration to Mr. Chen, Jinan Weilanwan and Xinchen Huizhi in connection with the acquisition of Janbon Colloidal Materials by our Company (see "History, Development and Corporate Structure — Our Corporate Developments — Historical Offshore Structure — (2) Establishment of Our Company and Acquisition of Janbon Colloidal Materials by Our Company" for details) and (ii) repayment of bank and other borrowings of RMB121.1 million, partially offset by new bank borrowings of RMB143.0 million.

For the year ended 31 December 2024, our net cash flows from financing activities were RMB399.0 million, primarily attributable to new bank borrowings of RMB513.1 million, partially offset by (i) repayment of bank borrowings of RMB80.0 million and (ii) dividend payment of RMB30 million.

For the year ended 31 December 2023, our net cash flows from financing activities were RMB233.2 million, primarily attributable to (i) new bank borrowings of RMB310.6 million and (ii) capital injection of RMB19.9 million by our then shareholders, partially offset by repayment of bank borrowings of RMB92.4 million.

Liquidity Management

We have adopted a liquidity management policy to give us a better understanding of our liquidity position and enable us to utilise our capital more efficiently, which in turn enables us to improve our cash flows, reduce our overall liquidity risk and enhance our working capital efficiency. We believe that our liquidity position will be sufficient for our operations and we possess the ability to raise funds when necessary, considering the following factors:

- ***Annual financial budget*** — Our various departments collectively prepare our annual budget based on our operating activities and liquidity, including revenue forecast, budgets for cost and expenses, tax payments, capital expenditures, etc., which is approved by our management. Our management will review and closely monitor the overall cash flow positions of our Group, and the cash flows position of our operations every month by comparing the forecast and actual financial performance, devise and implement any necessary follow-up or contingency measures to ensure that our cash flows position is sufficiently maintained;

- ***Prudent credit assessment*** — We have implemented measures to undertake continuous credit assessments for both new and existing customers, notwithstanding that our trading terms with customers are mainly on payment in advance. We collect background information and build a customer profile for any new customer, which includes its business operation conditions, financial standing and credit history, evaluating their

credit risk as part of our customer intake process. Before approving any transactions which are traded on credit, we assess the credit quality and associated credit risk of the customer;

- ***Enhancing collection efforts*** — We have been collecting and will continue to collect our trade and bills receivables in a more effective manner. We have implemented a sales and collection policy, which specifies our cash flow and liquidity management policy with specific measures to timely collect payments from our customers. In particular, our finance department regularly monitors our bank accounts and compiles trade receivables data every month, and we maintain close communications with our customers in respect of any outstanding payments. We review the recoverable amount of each individual receivable balance at the end of each reporting period to ensure adequate provision for impairment losses are provided for irrecoverable amounts. For receivables that are long overdue, we take appropriate legal actions if necessary. With regard to bills receivables, we have implemented a policy of only accepting bank acceptance bills issued by Banks with Good Credit Standing since January 2025;

- ***Strengthening supply and trade payables management*** — As we continue to expand our business scale, we expect our purchases from suppliers to further increase and we plan to negotiate more favorable terms with them, such as (i) extending payment cycles in general, and (ii) negotiating flexible means of payment such as bank acceptance bills to decrease our cash outlay for day-to-day operations. For our trade payables management, we adhere to the following to ensure timely payment to our suppliers: (i) preparation and approval of the payment requisition form for payment once the invoice is received; (ii) regular review of trade payable ageing analysis; and (iii) for any outstanding payables, we will conduct investigation and arrange for settlement;

- ***Effective inventory management*** — We will continue to carry out our inventory management policy in place to optimise inventory control and further adopt additional inventory management measures when necessary, as we believe that maintaining appropriate levels of inventories can help us better plan raw material procurement and timely deliver our products to meet customer's demand without adding undue pressure on our liquidity and working capital. For more information on our inventory management policy, see "Business — Inventory Management"; and

- ***Available financial resources*** — We have obtained, and believe that we can continue to obtain, borrowings and credit facilities from banks for our utilisation when needed. We plan to further raise funds through equity and debt financings if and when necessary. As of 31 May 2026, we had unutilised credit facilities of RMB288.3 million. In addition, we expect to receive the estimated [REDACTED] from the [REDACTED].

Our Directors believe that the policies and measures set out above are able to assist our Group to effectively monitor and manage our cash flows position and maintain sufficient funds and liquidity for our business and operations. The following is some evidence indicating the effectiveness of our liquidity management during the Track Record Period:

a. our bills receivables decreased from RMB175.4 million at 31 December 2024 to RMB79.8 million as at 31 May 2026. In addition, all our bank acceptance bills as at 31 May 2026 were issued by Banks with Good Credit Standing, while the majority of our bank acceptance bills as at the end of 2024 were not;

b. for the five months ended 31 May 2026, our trade and bills receivables turnover days was lower compared to the turnover days for 2024. In addition, our bank acceptance bills issued by Banks with Good Credit Standing in 2025 can be discounted at any time for derecognition. If fully discounted, our trade and bills receivables turnover days would be zero;

c. we have successfully increased our trade and bills payables turnover days by negotiating extended payment terms and adding promissory payment methods for bills payable with key suppliers; and

d. our inventory turnover days decreased from 9.3 days for the year ended 31 December 2024 to 6.8 days for the five months ended 31 May 2026.

Working Capital Sufficiency

Taking into account the financial resources available to us, including the estimated [REDACTED] from the [REDACTED], cash flow generated from our operations, facilities available to us and cash and cash equivalents on hand, our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this Document.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of payment for property, plant and equipment and right-of-use assets. Our capital expenditures were RMB11.2 million, RMB5.7 million, RMB7.9 million, and RMB0.2 million for the years ended 31 December 2023, 2024, and 2025 and the five months ended 31 May 2026.

We expect to incur capital expenditures of approximately RMB8.4 million and RMB8.7 million in 2026 and 2027, primarily for our continued expansion plan. See "Business — Our Strategies" and "Future Plans and [REDACTED]" in this Document for additional details of our current expansion plans. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, the market conditions and various other factors we believe to be appropriate.

INDEBTEDNESS

The following table sets forth a summary of our indebtedness as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB in million	*RMB in million*	*RMB in million*	*RMB in million*
Interest-bearing bank borrowings	151.7	206.3	111.9	—

Interest-Bearing Bank Borrowings

As of 31 December 2023, 2024, 2025 and 31 May 2026, we had interest-bearing bank borrowings of RMB151.7 million, RMB206.3 million, RMB111.9 million and nil, respectively.

Our interest-bearing bank borrowings increased from RMB151.7 million as of 31 December 2023 to RMB206.3 million as of 31 December 2024, primarily due to (i) the discounting of bank acceptance bills to certain banks, and we considered our Group has retained the substantial risks and rewards of the relevant bills including default risks, which had not met the conditions for derecognising the relevant bills as there remained a risk of recourse by the billholders and therefore we continued to recognise the full carrying amount of the relevant bills and the associated other borrowings associated with the cash received, and (ii) the increased short-term bank borrowings in support of our business operations. Our interest-bearing bank borrowings decreased to RMB111.9 million as of 31 December 2025, primarily due to (i) the fact that we did not have any bank acceptance bills that were discounted but not derecognised as of 31 December 2025 and 31 May 2026 as we have implemented a policy of only accepting bank acceptance bills issued by Banks with Good Credit Standing since January 2025, and (ii) the decreased short-term bank borrowings for our business operations, partially offset by the new bank borrowings for the payment of cash consideration to Mr. Chen, Jinan Weilanwan and Xinchen Huizhi in connection with the acquisition of Janbon Colloidal Materials by our Company (see

"History, Development and Corporate Structure — Our Corporate Developments — Historical Offshore Structure — (2) Establishment of Our Company and Acquisition of Janbon Colloidal Materials by Our Company" for details). Our interest-bearing bank borrowings further decreased to nil as of 31 May 2026, primarily due to the full repayment of the above bank borrowings incurred for the acquisition.

All of our interest-bearing bank borrowings as of 31 December 2023 and 2024 had a maturity date of one year or less. As of 31 December 2025, our interest-bearing bank borrowings in the amount of RMB106.2 million had a maturity date of more than one year and interest-bearing bank borrowings in the amount of RMB5.7 million had a maturity date of one year or less. As of 31 December 2023, 2024, and 2025 and 31 May 2026, the effective interest rate of our interest-bearing bank borrowings was 1.2% to 4.3%, 0.7% to 3.5%, 2.93%, and 2.93%, respectively. For details of the securities and guarantees for our borrowings, see note 24 to the Accountants' Report in Appendix I to this Document. As of 31 May 2026, we had unutilised credit facilities of RMB288.3 million. We plan to draw down such credit facilities should any capital expenditure need arise in the future.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no material defaults in bank and other borrowings, nor did we breach any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulty in obtaining credit facilities, or withdrawal of facilities or request for early repayment.

Indebtedness Statement

Save as disclosed above, as of 31 December 2023, 2024, 2025 and 31 May 2026, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings and other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since 31 May 2026 and up to the Latest Practicable Date.

COMMITMENTS

The following table sets forth our contracted commitments as of the dates indicated:

	As of 31 December			As of 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	7,237	5,400	—	187

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the Track Record Period, we had no transactions with related parties. As of 31 December 2023, 2024, 2025, and 31 May 2026, certain of our bank loans were guaranteed by Mr. Chen, our Controlling Shareholder, or companies in which an associate of Mr. Chen is the controlling shareholder. The underlying bank borrowings and such guarantees as of the Latest Practicable Date had been settled. See note 30 to the Accountants' Report set out in Appendix I to this Document for further details about our related party transactions during the Track Record Period.

Our Directors are of the view that each of the related party transactions set out in note 30 to the Accountants' Report in Appendix I to this Document was conducted on an arm's length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

KEY FINANCIAL RATIOS

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

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

Notes:

(1) Gross profit margin is calculated using gross profit for the year/period divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Current ratio is calculated using total current assets divided by total current liabilities.

(4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.

(5) Gearing ratio is calculated using debt (being trade and bills payables, payroll payable, accrued [REDACTED], deposit and other payables, and interest-bearing bank borrowings) divided by total assets.

Gross Profit Margin

In 2023, 2024, 2025 and for the five months ended 31 May 2026, our gross profit margin was 3.9% 3.3%, 4.7%, and 2.0%, respectively. See "— Review of Historical Results of Operations" for factors affecting our gross profit margin during the respective periods.

Net Profit Margin

In 2023, 2024, 2025 and for the five months ended 31 May 2026, our net profit margin was 2.2%, 2.0%, 3.3%, and 1.4%, respectively. See "— Review of Historical Results of Operations" for factors affecting our net profit margin during the respective periods.

Current Ratio

Our current ratio increased from 1.1 as of 31 December 2023 to 1.3 as of 31 December 2024, primarily attributable to the increase in trade and bills receivables. Our current ratio increased further to 1.9 as of 31 December 2025, primarily due to the increase in cash and cash equivalents. Our current ratio remained relatively stable at 1.8 as of 31 May 2026.

Quick Ratio

Our quick ratio increased from 0.7 as of 31 December 2023 to 0.8 as of 31 December 2024, primarily attributable to the increase in trade and bills receivables. Our quick ratio increased further to 1.3 as of 31 December 2025, primarily attributable to the increase in cash and cash equivalents. Our quick ratio remained relatively stable at 1.2 as of 31 May 2026.

Gearing Ratio

Our gearing ratio increased from 61.6% as of 31 December 2023 to 63.4% as of 31 December 2024, primarily attributable to the increase in trade and bills payables and interest-bearing bank borrowings. See also "Liquidity and Capital Resources — Cash Flows — Net Cash Flows Used in Operating Activities". Our gearing ratio decreased from 63.4% as of 31 December 2024 to 59.6% as of 31 December 2025 and further to 47.8% as of 31 May 2026, primarily attributable to the decrease in interest-bearing bank borrowings and the increase in total assets.

MARKET RISKS

We are exposed to various types of financial and market risks, including credit risk and liquidity risk. Our Directors review and agree on financial management policies and practices for managing each of these risks. See note 33 to the Accountants' Report set out in Appendix I to this Document for further details.

Credit Risk

We are exposed to credit risk in relation to our cash and cash equivalents, trade and bills receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets.

We trade mainly with recognised and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II to this Document.

DIVIDEND POLICY

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

FINANCIAL INFORMATION

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

DISTRIBUTABLE RESERVES

As of 31 May 2026, we had retained profits of RMB249.4 million, representing the distributable reserves available for distribution to our Shareholders.

[REDACTED]

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RECENT DEVELOPMENT

See "Summary — Recent Development and No Material Adverse Change" in this Document for further details of the impact of recent developments on our business, operations and financial positions.

NO MATERIAL ADVERSE CHANGE

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

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See "Business — Our Strategies" in this Document for a detailed description of our future plans.

[REDACTED]

The [REDACTED] from the [REDACTED] that we will receive after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] (assuming that the [REDACTED] is not exercised) will be:

- approximately HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED] range);
- approximately HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range); or
- approximately HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the high-end of the [REDACTED] range).

Assuming an [REDACTED] at the mid-point of the [REDACTED] range, we intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to strengthen our research and development efforts and drive technological innovation. In particular, we plan to (i) enhance our PV silver powder technologies to solidify and expand our strong market position in the sector in China; (ii) explore alternative materials to silver powder in the PV industry, such as copper powder; and (iii) extend our research and development to non-PV silver powder sectors, including the development of silver powder tailored for the electronics industry. These initiatives aim to broaden our product portfolio and expand our market reach, thereby laying a solid foundation for our long-term growth. For more details, see "Business — Our Strategies" in this Document. In particular:
    - Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for the procurement of raw materials for research and development of PV silver powder. Among others, silver nitrate, as the core raw material in our silver powder production, plays a critical role in supporting our research and development in PV silver powder technology. Maintaining an adequate supply of silver nitrate is crucial for ensuring the continuity and effectiveness of our PV silver powder research and development activities, particularly as we pursue advanced product designs tailored to evolving customer requirements and industry trends.

A breakdown of our expected annual purchase of silver nitrate is set out in the table below:

	Year ending 31 December		
	2026	2027	2028
	RMB'000	*RMB'000*	*RMB'000*
Estimated average price of silver nitrate (per kg)[(1)]	[REDACTED]	[REDACTED]	[REDACTED]
Estimated purchase volume (kg)	[REDACTED]	[REDACTED]	[REDACTED]
Estimated total purchase amount	[REDACTED]	[REDACTED]	[REDACTED]

Note:

(1) The data is based on the Frost & Sullivan analysis, wherein the estimated average price of silver nitrate is calculated based on the average benchmark price of silver in January 2026 multiplied by the silver content in silver nitrate (63.6%), plus a mark-up.

- o Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used over the next three years to support dedicated research and development projects focusing on silver powder for non-PV applications and non-silver and less-silver conductive materials, with an annual investment of HK$[REDACTED] (equivalent to approximately RMB[REDACTED]). These projects will centre on the research and development of such key areas as silver-coated copper powder, silver-coated aluminium powder, and conductive powder tailored for electronic applications.

- o Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to fund research and development collaboration projects with our key customers, universities, research institutions, or experts. We intend to allocate HK$[REDACTED] (equivalent to approximately RMB[REDACTED]) per year over the next three years to support these initiatives. These collaborative efforts aim to leverage research capabilities of leading academic and industry partners and create platforms for technical communications and tailored product development.

- o Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to recruit four to six research and development engineers specialising in silver powder, copper powder, and silver-coated copper powder over the next three years. Each engineer is expected to have a strong background in materials science or powder metallurgy and practical experience relevant to their respective research and development focus.

- Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for equipment upgrades, including both research and production equipment. These investments are essential to advancing our research and development initiatives, pilot-scale production trials, and the continuous upgrading of our production capabilities. By integrating more advanced equipment, we aim to optimise powder performance and improve manufacturing consistency at scale. In line with our strategic research and development focus, we intend to upgrade relevant research and production equipment primarily targeted at advancing silver powder and copper powder applications.

The following table sets forth the major equipment items to be procured regarding the research and production of silver powder:

Research equipment			Production equipment		
Usage description	Estimated investment (RMB in thousand)	% of [REDACTED]	Usage description	Estimated investment (RMB in thousand)	% of [REDACTED]
Research on powder sintering behaviour	[REDACTED]	[REDACTED]%	Powder classification and impurity removal	[REDACTED]	[REDACTED]%
Microstructure observation	[REDACTED]	[REDACTED]%	Ultrasonic powder grinding	[REDACTED]	[REDACTED]%
Powder surface property research	[REDACTED]	[REDACTED]%			
Pilot-scale synthesis	[REDACTED]	[REDACTED]%	Powder surface modification	[REDACTED]	[REDACTED]%
Powder grinding	[REDACTED]	[REDACTED]%			

The following table sets forth the major equipment items to be procured regarding the research and production of copper powder:

Research equipment			Production equipment		
Usage description	Estimated investment *(RMB in thousand)*	% of [REDACTED]	Usage description	Estimated investment *(RMB in thousand)*	% of [REDACTED]
Research on powder microscopic characteristics	[REDACTED]	[REDACTED]%	Powder washing and purification	[REDACTED]	[REDACTED]%
Elemental analysis of powders	[REDACTED]	[REDACTED]%	Powder drying	[REDACTED]	[REDACTED]%
Powder functional characterisation research	[REDACTED]	[REDACTED]%	Powder deagglomeration or modification	[REDACTED]	[REDACTED]%
Powder pilot-scale synthesis research	[REDACTED]	[REDACTED]%	Powder grinding or shaping	[REDACTED]	[REDACTED]%
Research on powder drying processes	[REDACTED]	[REDACTED]%	Powder classification and impurity removal	[REDACTED]	[REDACTED]%
Research on powder crushing processes	[REDACTED]	[REDACTED]%			
Research on powder classification or impurity removal processes	[REDACTED]	[REDACTED]%			

- Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to fund our overseas expansion. As part of our long-term development strategy, we intend to expand our silver powder and other conductive material production footprint into the Middle East and establish local presence in East Asia to advance our development of silver powder and other conductive material technologies. For more details, see "Business — Our Strategies — Expand Internationally" in this Document. In particular,
  - Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for the construction of silver powder and other conductive material production plants in the Middle East (the "Middle East Plants") in response to the region's expanding PV industry, strategic trade location, and the increasing presence of downstream

customers. The main expenses are expected to include costs associated with premises leasing, construction of production facilities, equipment procurement, and operational expenses of the Middle East Plants, of which:

(i) Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for the leasing of premises for the Middle East Plants, with a total gross floor area of approximately [REDACTED] sq.m. Securing a strategically located site with access to key customers, supporting infrastructure, and efficient transport links is an important step in establishing the Middle East Plants; and

(ii) Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for fixed asset investments and operational expenses for the next three years for the Middle East Plant. A breakdown is set out in the table below:

[REDACTED]	Estimated Investment *(RMB in million)*	Purpose	Breakdown of Estimated Investment *(RMB in million)*
Fixed Asset Investments	approximately RMB[REDACTED]	Construction of production facilities	[REDACTED]
		Procurement and installation of key production equipment	[REDACTED]
		Procurement and installation of supporting systems essential for manufacturing activities	[REDACTED]
Operational Expenses	approximately RMB[REDACTED]	Recruitment and training of employees	[REDACTED]
		Utility expenses including electricity and water consumption	[REDACTED]
		Other necessary expenses to initiate and sustain daily plant operations	[REDACTED]

o Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used to establish a dedicated research and development presence in East Asia to advance our development of silver powder and other conductive 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 silver powders, which can cater the higher requirements for product performances from downstream industries. We may form local research teams, foster collaborations with industry and academic partners, and strategically acquire complementary businesses or technologies in the region.

- Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for the repayment of interest-bearing bank loans. By reducing our level of indebtedness, we expect to further enhance our financial flexibility, lower our interest expenses, and strengthen our capital structure, thereby enabling us to allocate more resources toward strategic initiatives and long-term growth.

- Approximately [REDACTED]% of the [REDACTED], or HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), will be used for working capital and general corporate purposes.

FUTURE PLANS AND [REDACTED]

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED] (equivalent to approximately RMB[REDACTED]), respectively. We intend to apply the additional or reduced [REDACTED] to the above uses on a pro rata basis.

The additional [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK$[REDACTED] (equivalent to approximately RMB[REDACTED]) (assuming an [REDACTED] of HK$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED] range), (ii) HK$[REDACTED] (equivalent to approximately RMB[REDACTED]) (assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range) and (iii) HK$[REDACTED] (equivalent to approximately RMB[REDACTED]) (assuming an [REDACTED] of HK$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range). We intend to apply the additional [REDACTED] to the above [REDACTED] on a pro rata basis.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Sole Sponsor's and [REDACTED] Interests in our Company

Save as disclosed above and save for their respective obligations under the [REDACTED] and/or the [REDACTED] and, the sponsor fee payable to the Sole Sponsor in connection with the [REDACTED], as of the Latest Practicable Date, none of the Sole Sponsor and the [REDACTED] was interested legally or beneficially, directly or indirectly, in any Shares or other securities of our Company or any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or other securities of our Company or any other member of our Group.

Following the completion of the [REDACTED], the [REDACTED] and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the [REDACTED] and/or the [REDACTED].

Sole Sponsor's Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JINAN JANBON METALLIC MATERIALS CO., LTD. (FORMER NAME: SHANDONG JANBON ADVANCED ELECTRONIC MATERIALS CO., LTD.) AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Jinan Janbon Metallic Materials Co., Ltd. (former name: Shandong Janbon Advanced Electronic Materials Co., Ltd.) (the "Company") and its subsidiary (together, the "Group") set out on pages I-[3] to I-[50], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 31 May 2026 and the statements of financial position of the Company as at 31 December 2025 and 31 May 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[3] to I-[50] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the [REDACTED] of the shares of the Company on the [REDACTED] of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2023, 2024 and 2025 and 31 May 2026 and the financial position of the Company as at 31 December 2025 and 31 May 2026, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the five months ended 31 May 2025 and other explanatory information (the "**Interim Comparative Financial Information**").The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Group in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[•]
Certified Public Accountants

Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
REVENUE	5	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486
Cost of sales		(2,674,440)	(3,818,822)	(4,830,511)	(1,369,955)	(3,969,722)
Gross profit		107,246	130,798	235,994	39,266	80,764
Other income	5	2,705	11,381	23,917	4,187	9,397
Selling and marketing expenses		(763)	(755)	(1,153)	(411)	(432)
Administrative expenses		(7,640)	(14,636)	(24,352)	(7,724)	(6,562)
Research and development expenses		(24,754)	(26,457)	(27,839)	(8,763)	(17,582)
(Impairment losses)/reversal of impairment losses on financial assets, net		(649)	651	—	—	—
Other expenses		(4,416)	(4,545)	(7,251)	(4,051)	(2,088)
Finance costs	7	(5,006)	(6,571)	(3,613)	(1,026)	(1,411)
PROFIT BEFORE TAX	6	66,723	89,866	195,703	21,478	62,086
Income tax expense	10	(6,833)	(10,784)	(27,180)	(2,353)	(6,373)
PROFIT FOR THE YEAR/PERIOD		59,890	79,082	168,523	19,125	55,713
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/ PERIOD		59,890	79,082	168,523	19,125	55,713
Attributable to:						
Owners of the parent		59,890	79,082	168,523	19,125	55,713
Total comprehensive income attributable to:						
Owners of the parent		59,890	79,082	168,523	19,125	55,713
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	12	N/A	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 May
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	13	36,084	37,820	41,325	38,937
Right-of-use assets	14	31,018	30,150	29,282	28,920
Intangible assets	15	136	75	85	58
Prepayments, other receivables and other assets	20	467	4,147	267	403
Deferred tax assets	16	9,597	—	—	—
Total non-current assets		77,302	72,192	70,959	68,318
CURRENT ASSETS					
Inventories	18	73,007	121,485	126,497	228,605
Trade and bills receivables	19	94,092	175,421	44,647	79,764
Prepayments, other receivables and other assets	20	505	2,121	3,806	4,887
Tax recoverable		—	288	—	7,430
Cash and cash equivalents	21	10,799	29,447	190,380	178,492
Pledged deposits	21	—	26,977	86,640	126,940
Total current assets		178,403	355,739	451,970	626,118
CURRENT LIABILITIES					
Trade and bills payables	22	391	57,753	186,799	325,337
Other payables and accruals	23	9,151	17,942	31,606	15,939
Interest-bearing bank borrowings	24	151,716	206,260	5,650	—
Tax payable		—	—	17,999	—
Total current liabilities		161,258	281,955	242,054	341,276
NET CURRENT (LIABILITIES)/ASSETS		17,145	73,784	209,916	284,842
TOTAL ASSETS LESS CURRENT LIABILITIES		94,447	145,976	280,875	353,160
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	24	—	—	106,220	—
Total non-current liabilities		—	—	106,220	—
Net assets		94,447	145,976	174,655	353,160
EQUITY					
Equity attributable to owners of the parent					
Paid-in capital	25	—	—	—	121,773
Reserves	27	94,447	145,976	174,655	231,387
Total equity		94,447	145,976	174,655	353,160

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent					
	Paid-in capital	Merger reserve*	Equity-settled share award reserve*	Surplus reserve*	(Accumulated losses)/ retained profits*	Total
	RMB'000 (note 25)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*
As at 1 January 2023	—	71,610	—	—	(58,950)	12,660
Total comprehensive income for the year	—	—	—	—	59,890	59,890
Capital injection from shareholders	—	19,859	—	—	—	19,859
Transfer to surplus reserve	—	—	—	94	(94)	—
Equity-settled share award arrangements *(note 26)*	—	—	2,038	—	—	2,038
As at 31 December 2023	—	91,469	2,038	94	846	94,447

Year ended 31 December 2024

	Attributable to owners of the parent					
	Paid-in capital	Merger reserve*	Equity-settled share award reserve*	Surplus reserve*	Retained profits*	Total
	RMB'000 (note 25)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*
As at 1 January 2024	—	91,469	2,038	94	846	94,447
Total comprehensive income for the year	—	—	—	—	79,082	79,082
Transfer to surplus reserve	—	—	—	7,908	(7,908)	—
Equity-settled share award arrangements *(note 26)*	—	—	2,447	—	—	2,447
Dividend declared *(note 11)*	—	—	—	—	(30,000)	(30,000)
As at 31 December 2024	—	91,469	4,485	8,002	42,020	145,976

Year ended 31 December 2025

	Attributable to owners of the parent					
	Paid-in capital	Merger reserve*	Equity-settled share award reserve*	Surplus reserve*	Retained profits*	Total
	RMB'000 (note 25)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*
As at 1 January 2025	—	91,469	4,485	8,002	42,020	145,976
Total comprehensive income for the year	—	—	—	—	168,523	168,523
Transfer to surplus reserve	—	—	—	16,852	(16,852)	—
Equity-settled share award arrangements *(note 26)*	—	—	2,447	—	—	2,447
Deemed distribution upon the establishment of historical offshore structure**	—	(142,291)	—	—	—	(142,291)
As at 31 December 2025	—	(50,822)	6,932	24,854	193,691	174,655

Five months ended 31 May 2025 (unaudited)

	Attributable to owners of the parent					
	Paid-in capital	Merger reserve	Equity-settled share award reserve	Surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	—	91,469	4,485	8,002	42,020	145,976
Total comprehensive income for the period	—	—	—	—	19,125	19,125
Equity-settled share award arrangements	—	—	1,019	—	—	1,019
Deemed distribution upon the establishment of historical offshore structure**	—	(142,291)	—	—	—	(142,291)
As at 31 May 2025	—	(50,822)	5,504	8,002	61,145	23,829

Five months ended 31 May 2026

	Attributable to owners of the parent					
	Paid-in capital	Merger reserve*	Equity-settled share award reserve*	Surplus reserve*	Retained profits*	Total
	RMB'000 *(note 25)*	*RMB'000* *(note 27)*	*RMB'000* *(note 27)*	*RMB'000* *(note 27)*	*RMB'000*	*RMB'000*
As at 1 January 2026	—	(50,822)	6,932	24,854	193,691	174,655
Total comprehensive income for the period	—	—	—	—	55,713	55,713
Equity-settled share award arrangements *(note 26)*	—	—	1,019	—	—	1,019
Capital injection from shareholders *(note 25)*	121,773	—	—	—	—	121,773
As at 31 May 2026	121,773	(50,822)	7,951	24,854	249,404	353,160

* These reserve accounts comprise the consolidated reserves of RMB94,447,000, RMB145,976,000, RMB174,655,000 and RMB231,387,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

** Detail of the nature of deemed distribution upon the establishment of historical offshore structure is given in note 27(a) to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		66,723	89,866	195,703	21,478	62,086
Adjustments for:						
Finance costs	7	5,006	6,571	3,613	1,026	1,411
Interest income	5	(597)	(591)	(871)	(226)	(780)
Equity-settled share award expense	6,26	2,038	2,447	2,447	1,019	1,019
Losses on disposal of items of property, plant and equipment	6	873	15	13	2	546
Fair value changes on bills receivable	6	3,543	4,530	7,238	4,049	1,542
Depreciation of property, plant and equipment	6,13	4,342	3,859	4,262	1,708	1,909
Depreciation of right-of-use assets	6,14	868	868	868	362	362
Amortisation of intangible assets	6,15	45	61	78	25	27
Impairment losses/(reversal of impairment losses) on financial assets, net	6	650	(651)	—	—	—
Write-down/(reversal) of inventories	6	205	(515)	—	—	—
		83,696	106,460	213,351	29,443	68,122
Increase in inventories		(32,000)	(47,963)	(5,012)	(34,182)	(102,108)
(Increase)/decrease in trade and bills receivables		(228,361)	(466,758)	7,038	32,172	(36,659)
Increase in pledged deposits		—	(26,977)	(59,663)	(29,663)	(40,300)
Decrease/(increase) in prepayments, other receivables and other assets		9,989	(439)	818	(6,651)	(739)
(Decrease)/increase in trade and bills payables		(996)	57,362	129,046	70,592	138,538
(Decrease)/increase in other payables and accruals		(44,367)	9,873	13,849	199	(15,454)
Cash (used in)/generated from operations		(212,039)	(368,442)	299,427	61,910	11,400
Interest received	6	597	591	871	226	780
Income tax paid		—	(1,475)	(8,893)	(2,723)	(31,802)
Net cash flows (used in)/from operating activities		(211,442)	(369,326)	291,405	59,413	(19,622)

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash flows (used in)/from operating activities		(211,442)	(369,326)	291,405	59,413	(19,622)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property, plant and equipment		153	57	—	—	80
Purchases of items of property, plant, equipment		(11,829)	(11,073)	(4,502)	(2,093)	(355)
Purchases of right-of-use assets		(15,955)	—	—	—	—
Additions to other intangible assets		(205)	—	—	—	—
Net cash flows used in investing activities		(27,836)	(11,016)	(4,502)	(2,093)	(275)
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank borrowings		310,593	513,109	143,000	143,000	—
Repayment of bank borrowings		(92,377)	(79,990)	(121,120)	(60,000)	(111,870)
Principal portion of lease payments		(1,029)	—	—	—	—
Interest paid		(3,859)	(3,594)	(3,385)	(799)	(1,411)
Capital injection		19,859	—	—	—	121,773
Payment of [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends paid	11	—	(30,000)	—	—	—
Deemed distribution upon establishment of historical offshore structure		—	—	(142,291)	(142,291)	—
Net cash flows from/(used in) financing activities		233,187	398,990	(125,970)	(61,380)	8,009
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,091)	18,648	160,933	(4,060)	(11,888)
Cash and cash equivalents at beginning of year/period		16,890	10,799	29,447	29,447	190,380
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		10,799	29,447	190,380	25,387	178,492
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	21	10,799	29,447	190,380	25,387	178,492
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		10,799	29,447	190,380	25,387	178,492

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2025 RMB'000	As at 31 May 2026 RMB'000
NON-CURRENT ASSETS			
Investment in a subsidiary	17	142,291	142,291
Total non-current assets		142,291	142,291
CURRENT ASSETS			
Cash and cash equivalents	21	2,622	11,075
Total current assets		2,622	11,075
CURRENT LIABILITIES			
Interest-bearing bank borrowings	24	5,650	—
Other payable		—	16
Total current liabilities		5,650	16
NET CURRENT (LIABILITIES)/ASSETS		(3,028)	11,059
TOTAL ASSETS LESS CURRENT LIABILITIES		139,263	153,350
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	24	106,220	—
Total non-current liabilities		106,220	—
Net assets		33,043	153,350
EQUITY			
Paid-in capital	25	—	121,773
Reserves	27	33,043	31,577
Total equity		33,043	153,350

No statements of financial position as at 31 December 2023 and 31 December 2024 are presented as the Company has not been incorporated at that time.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in People's Republic of China ("PRC") on 25 February 2025. The registered office of the Company is located at No.1009 Dexing Road, Tianqiao district, Jinan, Shandong Province, PRC. The Company is ultimately controlled by Mr. Chen Zichun.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiary was principally involved in the manufacture and sale of silver powder.

The Company and its subsidiary now comprising the Group underwent historical offshore structure as set out in the section headed "History, Development and Corporate Structure — Our Corporate Developments — Historical Offshore Structure" in the Document. Apart from the establishment of historical offshore structure, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had a direct interest in its subsidiary, which is a private limited liability company (which has substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name*	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shandong Janbon Colloidal Materials Co., Ltd. 山東建邦膠體材料有限公司* *(note)*	PRC/Chinese mainland 26 March 2010	RMB84,376,900	100	—	Manufacture and sale of silver powder

No audited financial statements have been prepared for the Company since its incorporation or registration, as it is not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation or registration.

Note: The statutory financial statements of Shandong Janbon Colloidal Materials Co., Ltd. ("Janbon Colloidal Materials") for the years ended 31 December 2023 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Shandong Xinyuan Limited Liability Accounting Firm Limited (山東信源有限責任會計師事務所), certified public accountants registered in the PRC. The statutory financial statements of Janbon Colloidal Materials for the years ended 31 December 2024 and 2025 prepared under PRC GAAP were audited by Shandong Tianyan Certified Public Accountants Co., Ltd. (山東天演會計師事務所有限責任公司), certified public accountants registered in the PRC.

* The English name of the entity registered in the PRC represents the best efforts made by management of the Company to directly translate its Chinese name as it did not have any official English name registered.

2. ACCOUNTING POLICIES

2.1 Basis of Presentation

Pursuant to the historical offshore structure as more fully explained in the section headed "History, Development and Corporate Structure — Our Corporate Developments — Historical Offshore Structure" in the Document, the Company became the holding company of the subsidiary now comprising the Group on 2 April 2025. As the establishment of historical offshore structure only involved inserting a new holding entity at the top of an existing company and has not resulted in any change of economic substance, the Historical Financial Information for the Relevant Periods has been presented as a continuation of the existing group as if the establishment of historical offshore structure had been completed at the beginning of the Relevant Periods.

Accordingly, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Relevant Periods are prepared as if the current group structure had been in existence throughout the Relevant Periods. The consolidated statements of financial position as at 31 December 2023, 2024, 2025 and 31 May 2026 have been prepared to present the assets and liabilities of the subsidiary now comprising the Group, as if the current group structure had been in existence at those dates. No adjustments are made to reflect fair values, or to recognise any new assets or liabilities as a result of the establishment of historical offshore structure.

All intra-group transactions and balances have been eliminated on consolidation in full.

2.2 Basis of Preparation

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information consistently throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for bills receivable, which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary (collectively referred to as the "Group") for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiary is consolidated from the date on which the Group obtains control, or since the date when the subsidiaries first came under the common control of the controlling shareholder, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Issued but Not Yet Effective International Financial Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]

[1] No mandatory effective date yet determined but available for adoption

[2] Effective for annual/reporting periods beginning on or after 1 January 2027

[3] Effective for annual/reporting periods beginning on or after 1 January 2029

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial [REDACTED]. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies upon initial [REDACTED] and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.4 Material Accounting Policy Information

Fair value measurement

The Group measures its bills receivable at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Categories	Estimated useful lives
Buildings	20 to 37 years
Machinery	5 to 10 years
Vehicles, electronic devices and other equipment	3 to 10 years
Leasehold improvements	5 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Software	2 to 5 years
Patents and licences	2 years

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Categories	Estimated useful lives
Leasehold land	37 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has considered estimated loss rate based on historical observable default rates and study of each specific customer's default and recovery data from external credit-rating agency, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and bills payables, other payables and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks. Pledged deposits in the statement of financial position comprise warranty for bills payable.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the reporting period are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products. The Group recognises revenue from the sale of industrial products on a gross basis as it is the principal that controls the goods before transferring them to the customers and is liable for storage, damage and loss of goods, assumes the price fluctuation risks of goods and promises to provide the specified goods under the terms of the contract.

Some contracts for the sale of industrial products provide customers with rights of return, giving rise to variable consideration. For contracts which provide a customer with a right to return the industrial products, the expected value method is used to estimate the industrial products that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For industrial products that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Processing services

Revenue from processing services is recognised at the point in time when the processing services are rendered and the processed goods are delivered to customers; the Group does not have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share award plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the discounted cash flow and equity allocation method, further details of which are given in note 26 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Group's subsidiary which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiary is required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund — Chinese mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed dividends are disclosed in the notes to the Historical Financial Information.

Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount of revenue from contracts with customers:

(a) Determining the method to estimate variable consideration and assessing the constraint for the sale of industrial products

Certain contracts for the sale of industrial products include a right of return that gives rise to variable consideration. In estimating the variable consideration, the Group is required to use the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of industrial products with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of industrial products with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group updates its assessment of expected returns quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns entitlements may not be representative of customers' actual return entitlements in the future.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value measurement of share-based payments

The Group has set up a share incentive plan and granted share awards to the Group's employees. The fair values of the share awards are determined using the discounted cash flow and equity allocation method at the grant dates. Significant estimates based on assumptions, including the underlying equity value are made by management. Further details are included in note 26 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example,

when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and condition of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories are reviewed quarterly for write-down, if appropriate. Further details are included in note 18 to the Historical Financial Information.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimates. Useful lives and residual values are reviewed at the end of each of the years based on changes in circumstances. Further details of the property, plant and equipment are set out in note 13 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and has only one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

During the Relevant Periods and the five months ended 31 May 2025, all of the Group's revenue was derived from customers located in Chinese mainland and all of the Group's non-current assets were located in Chinese mainland, and therefore, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue from the major customers (aggregated if under common control) which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	1,048,363	1,449,086	552,092	N/A*	N/A*
Customer B	1,255,912	1,043,028	845,959	203,156	837,919
Customer C	N/A*	N/A*	1,086,508	164,649	738,086
Customer D	N/A*	N/A*	715,847	190,660	707,213
Total	2,304,275	2,492,114	3,200,406	558,465	2,283,218

* Less than 10% of the Group's revenue

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
Sale of industrial products	2,780,179	3,943,547	5,059,780	1,403,777	4,048,832
Processing services	1,507	6,073	6,725	5,444	1,654
Total	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486
Geographical market					
Chinese mainland	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486
Timing of revenue recognition					
Goods transferred at a point in time	2,780,179	3,943,547	5,059,780	1,403,777	4,048,832
Services transferred at a point in time	1,507	6,073	6,725	5,444	1,654
Total	2,781,686	3,949,620	5,066,505	1,409,221	4,050,486

The following table shows the amounts of revenue recognised in the Relevant Periods and the five months ended 31 May 2025 that were included in the contract liabilities at the beginning of each of the Relevant Periods and the five months ended 31 May 2025:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue recognised:					
Sale of industrial products	47,562	2,506	9,871	9,871	12,288

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment in advance is normally required.

Processing services

The performance obligation is satisfied at the point as services are rendered, where payment in advance is normally required.

An analysis of other income is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants*	2,096	10,781	22,922	3,839	8,603
Bank interest income	597	591	871	226	780
Others	12	9	124	122	14
Total	2,705	11,381	23,917	4,187	9,397

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these government grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of goods sold		2,673,860	3,815,453	4,827,272	1,367,307	3,968,946
Cost of services provided		580	3,369	3,239	2,648	776
		2,674,440	3,818,822	4,830,511	1,369,955	3,969,722
Depreciation of property, plant and equipment*	13	4,342	3,859	4,262	1,708	1,909
Depreciation of right-of-use assets*	14(a)	868	868	868	362	362
Amortisation of intangible assets*	15	45	61	78	25	27
Research and development expenses		24,754	26,457	27,839	8,763	17,582
Lease payments not included in the measurement of lease liabilities	14(c)	141	144	142	59	59
Employee benefit expense (including directors', chief executive's and supervisors' remuneration as set out in note 8):						
Salaries and other benefits		13,016	14,352	21,052	5,834	8,557
Pension scheme contributions		1,528	1,674	1,733	552	793
Equity-settled share award expense**	26	2,038	2,447	2,447	1,019	1,019
Total employee benefit expense		16,582	18,473	25,232	7,405	10,369
Bank interest income	5	(597)	(591)	(871)	(226)	(780)
Government grants	5	(2,096)	(10,781)	(22,922)	(3,839)	(8,603)
Fair value changes on bills receivable		3,543	4,530	7,238	4,049	1,542
Impairment losses/(reversal of impairment losses) on financial assets, net		650	(651)	—	—	—
Write-down/(reversal) of inventories		205	(515)	—	—	—
[REDACTED]	28(b)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditor's remuneration		—	41	10	10	—
Losses on disposal of items of property, plant and equipment		873	15	13	2	546

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets related to manufacturing and research and development for the Relevant Periods and the five months ended 31 May 2025 are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

** Equity-settled share award expense is included in "Cost of sales", "Administrative expenses", "Research and development costs" and "Selling and marketing expenses" in the consolidated statements of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on interest-bearing bank borrowings	5,006	6,571	3,613	1,026	1,411

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors before 25 February 2025, the date of incorporation of the Company.

Certain of the directors received remuneration from the subsidiary now comprising the Group for their appointment as directors and key management personnel of the subsidiary. The remuneration of each of these directors and key management personnel as recorded in the financial statements of the subsidiary is set out below:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	—	—	—	—	—
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	1,610	1,819	3,479	775	1,494
Equity-settled share award expense	589	707	707	294	294
Pension scheme contributions	74	114	81	34	34
Total	2,273	2,640	4,267	1,103	1,822

Certain executive directors of the Company were entitled to bonus payments which were determined by key performance indicators.

(a) Executive director, non-executive directors and the chief executive

Year ended 31 December 2023

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Chen Zichun	598	—	3	601
Mr. Zhou Yong	748	585	49	1,382
Ms. Meng Haiqing	264	4	22	290
Total	1,610	589	74	2,273

Year ended 31 December 2024

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Chen Zichun	739	—	32	771
Mr. Zhou Yong	767	702	50	1,519
Ms. Meng Haiqing	313	5	32	350
Total	1,819	707	114	2,640

Year ended 31 December 2025

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Chen Zichun	1,263	—	—	1,263
Mr. Zhou Yong	1,231	702	49	1,982
Ms. Meng Haiqing	985	5	32	1,022
Subtotal	3,479	707	81	4,267
Non-executive directors:				
Mr. Zhang Wei	—	—	—	—
Total	3,479	707	81	4,267

Five months ended 31 May 2025 (unaudited)

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Chen Zichun	305	—	—	305
Mr. Zhou Yong	316	292	21	629
Ms. Meng Haiqing	154	2	13	169
Subtotal	775	294	34	1,103
Non-executive directors:				
Mr. Zhang Wei	—	—	—	—
Total	775	294	34	1,103

Five months ended 31 May 2026

	Salaries, bonuses, allowances and benefits in kind	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Chen Zichun	616	—	—	616
Mr. Zhou Yong	582	292	21	895
Ms. Meng Haiqing	296	2	13	311
Subtotal	1,494	294	34	1,822
Non-executive directors:				
Mr. Zhang Wei	—	—	—	—
Total	1,494	294	34	1,822

Mr. Chen Zichun was appointed as director of the Company on 25 February 2025 and an executive director of the Company on 21 May 2026.

Mr. Zhou Yong and Ms. Meng Haiqing were appointed as executive directors of the Company on 21 May 2026.

Mr. Zhang Wei was appointed as a non-executive director of the Company on 21 May 2026.

There were no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the five months ended 31 May 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the five months ended 31 May 2025 included two, two, three, three and two directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three, three, two, two and three highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	1,531	1,904	2,296	759	854
Equity-settled share award expense	1,126	1,351	1,289	537	537
Pension scheme contributions	95	97	64	27	27
Total	2,752	3,352	3,649	1,323	1,418

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025 (unaudited)	2026
Nil to HK$1,000,000	2	2	—	2	1
HK$1,000,001 to HK$2,000,000	1	—	1	1	1
HK$2,000,001 to HK$3,000,000	—	1	1	—	—
Total	3	3	2	3	2

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate for the PRC subsidiary was 25% during the Relevant Periods. Janbon Colloidal Materials was accredited as a "High and New Technology Enterprise" ("HNTE") in 2021 and the certificate was extended in December 2024, after which validity period is from 7 December 2024 to 6 December 2027. Therefore, Janbon Colloidal Materials was entitled to a preferential EIT rate of 15% for the Relevant Periods and the five months ended 31 May 2025. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

The income tax charge of the Group during the Relevant Periods and the five months ended 31 May 2025 is analysed as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current tax — Chinese mainland					
Charge for the year/period	—	1,187	26,892	2,065	6,326
Under provision in prior year/periods	—	—	288	288	47
Deferred tax *(note 16)*	6,833	9,597	—	—	—
Total tax charge	6,833	10,784	27,180	2,353	6,373

A reconciliation of the tax charge applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December						Five months ended 31 May			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Profit before tax	66,723		89,866		195,703		21,478		62,086	
Tax at the statutory tax rate of 25%	16,681	25.0	22,467	25.0	48,926	25.0	5,370	25.0	15,522	25.0
Lower tax rate for specific provinces or enacted by local authority	(6,672)	(10.0)	(8,987)	(10.0)	(19,746)	(10.1)	(2,151)	(10.0)	(6,355)	(10.2)
Expenses not deductible for tax	363	0.5	467	0.5	410	0.2	143	0.7	160	0.3
Adjustments in respect of current tax of previous periods	—	—	—	—	288	0.1	288	1.3	47	0.1
Additional deductible allowance for qualified research and development expenses	(3,539)	(5.3)	(3,163)	(3.5)	(3,187)	(1.6)	(1,306)	(6.1)	(3,367)	(5.4)
Tax losses not recognised	—	—	—	—	489	0.2	9	0.1	366	0.6
Tax charge at the Group's effective tax rate	6,833	10.2	10,784	12.0	27,180	13.9	2,353	11.0	6,373	10.4

11. DIVIDEND

No dividends have been declared and paid by the Company since the date of its incorporation.

On 24 September 2024, Janbon Colloidal Materials, a subsidiary of the Group, declared a cash dividend of RMB30,000,000 to its shareholders. The dividend was fully paid by September 2024.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the basis of presentation of the results of the Group for the Relevant Periods and the five months ended 31 May 2025 as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023	Buildings	Machinery	Vehicles, electronic devices and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023:						
Cost	16,767	23,892	3,516	11,965	—	56,140
Accumulated depreciation	(257)	(16,686)	(2,894)	(4,701)	—	(24,538)
Net carrying amount	16,510	7,206	622	7,264	—	31,602
At 1 January 2023, net of accumulated depreciation	16,510	7,206	622	7,264	—	31,602
Additions	—	5,521	661	85	3,579	9,846
Disposals	(1,018)	—	(4)	—	—	(1,022)
Depreciation provided during the year *(note 6)*	(449)	(2,467)	(230)	(1,196)	—	(4,342)
Transfer within property, plant and equipment	3,333	246	—	—	(3,579)	—
At 31 December 2023, net of accumulated depreciation	18,376	10,506	1,049	6,153	—	36,084
At 31 December 2023:						
Cost	18,921	29,659	4,170	12,050	—	64,800
Accumulated depreciation	(545)	(19,153)	(3,121)	(5,897)	—	(28,716)
Net carrying amount	18,376	10,506	1,049	6,153	—	36,084

31 December 2024	Buildings	Machinery	Vehicles, electronic devices and other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:					
Cost	18,921	29,659	4,170	12,050	64,800
Accumulated depreciation	(545)	(19,153)	(3,121)	(5,897)	(28,716)
Net carrying amount	18,376	10,506	1,049	6,153	36,084
At 1 January 2024, net of accumulated depreciation	18,376	10,506	1,049	6,153	36,084
Additions	—	4,585	891	184	5,660
Disposals	—	(20)	(45)	—	(65)
Depreciation provided during the year *(note 6)*	(579)	(1,738)	(330)	(1,212)	(3,859)
At 31 December 2024, net of accumulated depreciation	17,797	13,333	1,565	5,125	37,820
At 31 December 2024:					
Cost	18,921	33,873	4,458	12,234	69,486
Accumulated depreciation	(1,124)	(20,540)	(2,893)	(7,109)	(31,666)
Net carrying amount	17,797	13,333	1,565	5,125	37,820

31 December 2025	Buildings	Machinery	Vehicles, electronic devices and other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:					
Cost	18,921	33,873	4,458	12,234	69,486
Accumulated depreciation	(1,124)	(20,540)	(2,893)	(7,109)	(31,666)
Net carrying amount	17,797	13,333	1,565	5,125	37,820
At 1 January 2025, net of accumulated depreciation	17,797	13,333	1,565	5,125	37,820
Additions	—	6,532	454	794	7,780
Disposals	—	(1)	(12)	—	(13)
Depreciation provided during the year *(note 6)*	(579)	(2,015)	(428)	(1,240)	(4,262)
At 31 December 2025, net of accumulated depreciation	17,218	17,849	1,579	4,679	41,325
At 31 December 2025:					
Cost	18,921	40,383	4,873	13,028	77,205
Accumulated depreciation	(1,703)	(22,534)	(3,294)	(8,349)	(35,880)
Net carrying amount	17,218	17,849	1,579	4,679	41,325

31 May 2026	Buildings	Machinery	Vehicles, electronic devices and other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026:					
Cost	18,921	40,383	4,873	13,028	77,205
Accumulated depreciation	(1,703)	(22,534)	(3,294)	(8,349)	(35,880)
Net carrying amount	17,218	17,849	1,579	4,679	41,325
At 1 January 2026, net of accumulated depreciation	17,218	17,849	1,579	4,679	41,325
Additions	—	—	147	—	147
Disposals	—	(626)	—	—	(626)
Depreciation provided during the period *(note 6)*	(242)	(930)	(194)	(543)	(1,909)
At 31 May 2026, net of accumulated depreciation	16,976	16,293	1,532	4,136	38,937
At 31 May 2026:					
Cost	18,921	39,668	5,020	13,028	76,637
Accumulated depreciation	(1,945)	(23,375)	(3,488)	(8,892)	(37,700)
Net carrying amount	16,976	16,293	1,532	4,136	38,937

Certain of the Group's buildings with net carrying amounts of approximately RMB13,964,000 and RMB13,594,000 as at 31 December 2023 and 2024, respectively, were pledged to secure bank loans (note 24).

The Group is still in the process of applying title certificates for the Group's buildings of RMB4,412,000, RMB4,203,000, RMB3,993,000 and RMB3,905,412 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

14. LEASES

The Group as a lessee

The Group has lease contract for land use right used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the government with lease periods of 37 years, and no ongoing payments will be made under the terms of land leases. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are no lease contracts that include extension or termination options and variable lease payments.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Leasehold land
	RMB'000
As at 1 January 2023	31,886
Depreciation charge *(note 6)*	(868)
As at 31 December 2023 and 1 January 2024	31,018
Depreciation charge *(note 6)*	(868)
As at 31 December 2024 and 1 January 2025	30,150
Depreciation charge *(note 6)*	(868)
As at 31 December 2025 and 1 January 2026	29,282
Depreciation charge *(note 6)*	(362)
As at 31 May 2026	28,920

The Group's leasehold land with net carrying amounts of RMB4,696,000 and RMB4,565,000 as at 31 December 2023 and 2024, respectively, was pledged to secure bank loans (note 24).

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December			**Five months ended 31 May**
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year/period	1,029	—	—	—
Payments	(1,029)	—	—	—
Carrying amount at end of the year/period	—	—	—	—
Analysed into:				
Current portion	—	—	—	—

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			**Five months ended 31 May**	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Depreciation charge of right-of-use assets	868	868	868	362	362
Expenses relating to short-term leases and leases of low-value assets *(note 6)*	141	144	142	59	59
Total amount recognised in profit or loss	1,009	1,012	1,010	421	421

(d) The total cash outflows for leases are disclosed in note 28(c) to the Historical Financial Information.

15. INTANGIBLE ASSETS

The Group

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	—	—	—
Additions	181	—	181
Amortisation provided during the year *(note 6)*	(45)	—	(45)
At 31 December 2023	136	—	136
At 31 December 2023:			
Cost	269	33	302
Accumulated amortisation and impairment	(133)	(33)	(166)
Net carrying amount	136	—	136
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	136	—	136
Amortisation provided during the year *(note 6)*	(61)	—	(61)
At 31 December 2024	75	—	75
At 31 December 2024:			
Cost	269	33	302
Accumulated amortisation and impairment	(194)	(33)	(227)
Net carrying amount	75	—	75
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	75	—	75
Additons	88	—	88
Amortisation provided during the year *(note 6)*	(78)	—	(78)
At 31 December 2025	85	—	85
At 31 December 2025:			
Cost	357	33	390
Accumulated amortisation and impairment	(272)	(33)	(305)
Net carrying amount	85	—	85
31 May 2026			
Cost at 1 January 2026, net of accumulated amortisation	85	—	85
Amortisation provided during the period *(note 6)*	(27)	—	(27)
At 31 May 2026	58	—	58
At 31 May 2026:			
Cost	357	33	390
Accumulated amortisation and impairment	(299)	(33)	(332)
Net carrying amount	58	—	58

16. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Provision for inventories	Impairment losses on financial assets	Lease liability	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	46	—	155	16,229	16,430
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	31	98	(155)	(6,807)	(6,833)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	77	98	—	9,422	9,597
Deferred tax charged to profit or loss during the year *(note 10)*	(77)	(98)	—	(9,422)	(9,597)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	—	—	—	—	—
Deferred tax charged to profit or loss during the year *(note 10)*	—	—	—	—	—
Gross deferred tax assets at 31 December 2025 and 1 January 2026	—	—	—	—	—
Deferred tax charged to profit or loss during the period *(note 10)*	—	—	—	—	—
Gross deferred tax assets at 31 May 2026	—	—	—	—	—

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	9,597	—	—	—

Deferred tax assets have not been recognised in respect of the following item:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	—	—	1,957	3,422

The Group has the above tax losses arising in the Chinese mainland that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

17. INVESTMENT IN A SUBSIDIARY

The Company

	As at 31 December 2025	As at 31 May 2026
	RMB'000	*RMB'000*
Investment, at cost	142,291	142,291

18. INVENTORIES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	44,494	94,062	122,898	192,174
Raw materials and consumables	16,304	21,163	1,445	8,310
Goods in transit	7,361	4,595	143	6,313
Work in progress	5,363	1,665	2,011	21,808
Subtotal	73,522	121,485	126,497	228,605
Provision for impairment of inventories	(515)	—	—	—
Total	73,007	121,485	126,497	228,605

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	13,017	—	—	—
Bills receivable	81,726	175,421	44,647	79,764
Subtotal	94,743	175,421	44,647	79,764
Impairment allowance	(651)	—	—	—
Total	94,092	175,421	44,647	79,764

The Group's trading terms with its customers are mainly on payment in advance, except for some transactions such as exceptional sales with executive approval and the sale of solar-generated electricity to grid companies, which are traded on credit. The Group seeks to maintain strict control over its outstanding receivables, with oversight by the Chief Financial Officer to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

Bills receivable are measured at fair value through profit or loss. Bills receivable are bank acceptance bills that are unconditionally accepted by banks within the maturity period.

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025 and 31 May 2026, the Group endorsed certain bills receivable accepted by banks (the "Bank Bills") in Chinese mainland (the "Endorsed Bills") with carrying amounts of nil, RMB30,190,000, nil and nil, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement").

The Group also transferred certain Bank Bills in Chinese mainland (the "Discounted Bills") with carrying amounts of RMB81,726,000, RMB116,270,000, nil and nil, respectively, to certain banks in order to obtain cash from such banks (the "Discount") at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively (note 24).

In the opinion of the Company's directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and Discounted Bills, and accordingly, the Group continued to recognise (i) the full carrying amounts of the Endorsed Bills and the relevant associated trade payables settled and (ii) the full carrying amounts of the Discounted Bills and the associated other borrowings associated with cash received. Subsequent to the Discount, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties.

At 31 December 2023, 2024 and 2025 and 31 May 2026, the aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers have recourse are nil, RMB30,190,000, nil and nil, respectively.

At 31 December 2023, 2024 and 2025 and 31 May 2026, the aggregate carrying amounts of the interest-bearing bank borrowings related to the Discounted Bills were RMB81,726,000, RMB116,270,000, nil and nil, respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025 and 31 May 2026, the Group endorsed certain Bank Bills in Chinese mainland with carrying amounts of nil, RMB193,513,000, RMB753,606,000 and RMB918,826,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers. At 31 December 2023, 2024 and 2025 and 31 May 2026, the Group also transferred certain Bank Bills in Chinese mainland with carrying amounts of RMB524,762,000, RMB280,130,000, RMB775,247,000 and RMB245,757,000, respectively, to certain banks in order to obtain cash from such banks. These bills receivable being endorsed and transferred are collectively referred to as derecognised bills (the "Derecognised Bills").

The Derecognised Bills had a maturity period of one to twelve months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Company's directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables and other borrowings. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Company's directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During each of the Relevant Periods, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement during each of the Relevant Periods. The endorsement and transfer have been made evenly throughout the Relevant Periods.

An ageing analysis of the trade receivables of the Group as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	12,366	—	—	—

The maturity date analysis for bills receivable is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	30,993	80,666	—	—
3 to 6 months	50,733	94,755	44,647	79,764
Total	81,726	175,421	44,647	79,764

The movements in the loss allowance for impairment of trade receivables are as follows:

	Year ended 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	—	651	—	—
Impairment losses, net	651	(651)	—	—
At end of year/period	651	—	—	—

An impairment analysis is performed at the end of each Relevant Periods using estimated loss rate to measure expected credit losses. The estimated loss rates are based on historical observable default rates over expected life of the debts, study of each specific customer's credit-rating from external agency and default and recovery data for different credit-rating from external agency, and are adjusted for forward-looking information (for example, forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. The calculation reflects the probability-weighted outcome, reasonable and supportable information that is available at the end of each Relevant Periods about past events, current conditions, and forecasts of future economic conditions.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments	434	14	246	85
Other receivables	71	76	80	1,022
Deductible input VAT	—	954	—	—
Deferred [REDACTED] *(note 28)*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	505	2,121	3,806	4,887
Impairment allowance	—	—	—	—
Subtotal	505	2,121	3,806	4,887
Non-current:				
Prepayments for property, plant and equipment	—	3,780	—	178
Advance payments for employee training expenses	467	367	267	225
Subtotal	467	4,147	267	403
Total	972	6,268	4,073	5,290

Other receivables mainly include employee petty cash and social security paid on behalf of employees. There was no recent history of default for other receivables. Other receivables included in the above balances were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the Relevant Periods, the Group estimated that the expected credit loss rate for other receivables was minimal.

21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	10,799	56,424	277,020	305,432
Less: Short-term pledged deposits for bills payables *(note 22)*	—	(26,977)	(86,640)	(126,940)
Cash and cash equivalents	10,799	29,447	190,380	178,492

The Company

	As at 31 December 2025	As at 31 May 2026
	RMB'000	*RMB'000*
Cash and cash equivalents	2,622	11,075

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at demand deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	391	30,776	199	53,737
Bills payable	—	26,977	186,600	271,600
Total	391	57,753	186,799	325,337

Bills payable are aged within six months.

Included in the above balances, bills payable with aggregate amounts of approximately nil, RMB26,977,000, RMB186,600,000 and RMB271,600,000 were secured by the pledge of the Group's deposits with aggregate amounts of approximately nil, RMB26,977,000, RMB86,640,000 and RMB126,940,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively (note 21).

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the transaction date, is as follows:

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	391	30,776	199	53,737

The trade payables are non-interest-bearing and are normally settled within 30 days.

23. OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December			As at 31 May
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payable		3,492	3,331	8,072	2,812
Contract liabilities	(a)	2,506	9,871	12,288	6,799
Deposit and other payable	(b)	1,977	908	444	512
Other tax payables		1,176	626	6,518	2,544
Accrued [REDACTED] *(note 28(b))*		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total		9,151	17,942	31,606	15,939

Notes:

(a) Details of contract liabilities are as follows:

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sale of industrial products	2,506	9,871	12,288	6,799

Contract liabilities include short-term advances received to deliver industrial products. The changes in the Group's contract liabilities during the Relevant Periods were mainly due to the changes in advances received from customers at the end of each of the Relevant Periods.

(b) Deposit and other payables are non-interest-bearing and are normally settled within 1 year.

24. INTEREST-BEARING BANK BORROWINGS

The Group

	As at 31 December 2023		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans — secured	1.20% to 4.30%	2024	111,726
Bank loans — unsecured	4.00%	2024	39,990
Total			151,716

	As at 31 December 2024		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans — secured	0.7% to 3.25%	2025	156,270
Bank loans — unsecured	3.20% to 3.50%	2025	49,990
Total			206,260

	As at 31 December 2025		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans — unsecured	2.93%	2026	5,650
Non-Current			
Bank loans — unsecured	2.93%	2027–2028	106,220
Total			111,870

Notes:

As at 31 December 2023, all of the Group's bank loans were denominated in RMB and were secured as follows:

(i) the Group's bank loan of RMB30,000,000 was guaranteed by Mr. Chen Zichun and secured by mortgages over the Group's buildings and leasehold land, with net carrying values of approximately RMB13,964,000 and RMB4,696,000, respectively;

(ii) the Discounted Bills with a carrying amount of RMB81,726,000 were not derecognised as at 31 December 2023 (note 19).

Additionally, the Group's bank loan of RMB29,990,000 was jointly guaranteed by Jinan Financing Guarantee Co., Ltd. ("Jinan Financing Guarantee", 濟南市融資擔保有限公司) and Mr. Chen Zichun, with a counter guarantee provided by Mr. Chen Zichun. Separately, the Group's bank loan of RMB10,000,000 was guaranteed by Mr. Chen Zichun.

All of the above bank loans had been fully repaid and all guarantees had been released as at 31 December 2024.

As at 31 December 2024, the Group's bank loans were denominated in RMB and were secured as follows:

(i) the Group's bank loan of RMB40,000,000 was guaranteed by Mr. Chen Zichun and secured by mortgages over the Group's patents, buildings and leasehold land, with net carrying values of nil, RMB13,594,000 and RMB4,565,000 respectively;

(ii) the Discounted Bills with a carrying amount of RMB116,270,000 were not derecognised as at 31 December 2024 (note 19).

Additionally, the Group's bank loan of RMB29,990,000 was jointly guaranteed by Jinan Financing Guarantee and Mr. Chen Zichun, with a counter guarantee provided by Mr. Chen Zichun. Separately, the Group's bank loan of RMB20,000,000 has been guaranteed by Mr. Chen Zichun.

All of the above bank loans had been fully repaid and all guarantees had been released as at 31 December 2025.

As at 31 December 2025, the Group's bank loans of RMB111,870,000 were denominated in RMB and were unsecured.

All of the above bank loans had been fully repaid as at 31 May 2026.

The Company

	As at 31 December 2025		
	Effective interest rate	Maturity	RMB'000
Current			
Bank loans — unsecured	2.93%	2026	5,650
Non-Current			
Bank loans — unsecured	2.93%	2027–2028	106,220
Total			111,870

25. PAID-IN CAPITAL

A summary of movements in the Company's issued paid-in capital during the Relevant Periods is as follows:

	Total *RMB'000*
At 25 February 2025, 31 December 2025 and 1 January 2026	—
Capital contribution from the shareholders	121,773
At 31 May 2026	121,773

On 25 February 2025, the Company was established in the PRC as a limited liability company with an initial registered capital of RMB3,000,000. Pursuant to the shareholders' resolution of the Company passed on 22 April 2026, the registered capital was increased from RMB3,000,000 to RMB121,773,015. Janbon High Tech HK Limited ("Janbon HK"), Mr. Chen, Jinan Weilanwan Commercial Service, LP (濟南蔚藍灣商務合夥企業(有限合夥)) ("Jinan Weilanwan") and Jinan Xinchen Huizhi Business Management Service, LP ("Xinchen Huizhi") subscribed for the increased registered capital of RMB18,773,015, RMB88,886,900, RMB6,443,600 and RMB4,669,500 respectively. All amounts of registered capital fully paid up in 2026.

26. SHARE-BASED PAYMENTS

In March 2023, Janbon Colloidal Materials set up a restricted share scheme (the "2023 Employee Shareholding Incentive Plan") which became effective in 2023 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of Janbon Colloidal Materials' operations. Eligible participants of the 2023 Employee Shareholding Incentive Plan include Janbon Colloidal Materials' directors, senior management and other employees.

As set out in the section headed "History, Development and Corporate Structure" of the Document, Jinan Weilanwan was established on 6 March 2023 by certain members of the then management and key employees of Janbon Colloidal Materials as a long-term equity incentive platform under the 2023 Employee Shareholding Incentive Plan. Pursuant to the 2023 Employee Shareholding Incentive Plan, the subscription price at RMB1.00 per share for restricted shares was paid by the eligible participants to Jinan Weilanwan by the date agreed and contributed by the platform to Janbon Colloidal Materials on March 2023.

The discounted cash flow and equity allocation method are used to determine the underlying equity fair value of the Group. The key input into the model was the weighted average cost of capital ("WACC"), which was 15.9%. The fair value of each restricted share as at the grant date is RMB2.8.

Jinan Weilanwan held approximately 6.7592% shares of Janbon Colloidal Materials. These granted shares of Jinan Weilanwan will vest at the end of the 4-year service period from the date when grantees indirectly hold the equity of Janbon Colloidal Materials through the platform.

Pursuant to the shareholders' resolution of Janbon Colloidal Materials dated 25 April 2025, the 2023 Employee Shareholding Incentive Plan has been terminated and replaced, collectively, by the shareholders agreement of Wonder Particle and Silver Ocean (collectively as the "BVI Employee Shareholding Platforms"). The shares will be vested to the later of (1) The second anniversary of the successful completion of the Company's [REDACTED] ("[REDACTED]") on the Stock Exchange and (2) the end of the 4-year service period from 31 March 2023. The Company issued 5,256,425 Ordinary Shares and 1,187,175 Ordinary Shares to Wonder Particle and Silver Ocean. After the Replacement, all restricted shares granted in 2023 were replaced by 6,443,600 restricted shares.

Pursuant to the shareholders' resolution of Shandong Janbon Advanced Electronic Materials Co., Ltd. dated 20 May 2026, the shareholders agreement of Wonder Particle and Silver Ocean has been terminated and replaced by the 2026 Employee Shareholding Incentive Plan.

The Replacement did not change the classification of share-based payments as equity instruments. No additional share-based compensation expenses were recognised as there was no incremental fair value change immediately before and after the Replacement. Therefore, the replacement awards should be accounted for in the same way as original awards.

The following restricted shares were outstanding under the Employee Shareholding Incentive Plan during the Relevant Periods:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	Number of shares	*Number of shares*	*Number of shares*	*Number of shares*
At beginning of year/period	—	5,436,900	5,436,900	6,443,600
Granted during the year/period	5,436,900	—	—	—
Termination	—	—	(5,436,900)	(6,443,600)
Replacement	—	—	6,443,600	6,443,600
At end of year/period	5,436,900	5,436,900	6,443,600	6,443,600

During the years ended 31 December 2023, 2024, 2025 and the five months ended 31 May 2026, share award expenses under the Employee Shareholding Incentive Plans of RMB2,038,000, RMB2,447,000, RMB2,447,000 and RMB1,019,000 were charged to profit or loss, respectively.

27. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(a) Merger reserve

The merger reserve of the Group represents the issued capital and the capital contributions from the equity holders of a subsidiary now comprising the Group before the completion of the establishment of historical offshore structure.

Pursuant to the equity transfer agreement dated 2 April 2025, the Company acquired the entire equity interest held by Mr. Chen in Janbon Colloidal Materials at a cash consideration of RMB126,478,430, the entire equity interest held by Jinan Weilanwan, at a cash consideration of RMB9,168,690, and the entire equity interest held by Xinchen Huizhi at a cash consideration of RMB6,644,297. The considerations for such equity transfers were determined with reference to the appraised net asset value of Janbon Colloidal Materials as of 31 October 2024.

As a result of the above transactions, the Group's total equity decreased by approximately RMB142,291,417, which was regarded as a deemed distribution to shareholders.

(b) Equity-settled share award reserve

The share award reserve of the Group represents the fair value of equity-settled share-based payments as detailed in note 26.

(c) Surplus reserve

In accordance with the Company Law of the PRC, the subsidiary of the Group which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its respective statutory surplus reserves until the reserves reach 50% of its respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The Company

A summary of the Company's negative reserves is as follows:

	Surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 25 February 2025	—	—	—
Profit for the period from 25 February 2025 to 31 December 2025	—	33,043	33,043
Transfer to surplus reserve	3,304	(3,304)	—
As at 31 December 2025	3,304	29,739	33,043
As at 1 January 2026	3,304	29,739	33,043
Loss for the period	—	(1,466)	(1,466)
As at 31 May 2026	3,304	28,273	31,577

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

(i) During the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the Group endorsed certain Bank Bills in Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts of nil, RMB227,406,000, RMB1,074,724,000 and RMB926,139,000, respectively.

(ii) The Group discounted certain bills receivable to certain banks to collect cash timely. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated bank borrowings. As the Discounted Bills matured, the Group had non-cash settlements to bills receivable and bank borrowings of RMB130,074,000, RMB381,552,000, RMB116,498,000 and nil during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, respectively.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Accrued [REDACTED]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	62,427	1,029	—	63,456
Changes from financing cash flows	214,357	(1,029)	—	213,328
Non-cash settlement	(130,074)	—	—	(130,074)
Interest expense *(note 7)*	5,006	—	—	5,006
At 31 December 2023	151,716	—	—	151,716
At 1 January 2024	151,716	—	—	151,716
Changes from financing cash flows	429,525	—	(535)	428,990
Changes from operating cash flows	—	—	(2,591)	(2,591)
Non-cash settlement	(381,552)	—	—	(381,552)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense *(note 7)*	6,571	—	—	6,571
At 31 December 2024	206,260	—	3,206	209,466
At 1 January 2025	206,260	—	3,206	209,466
Changes from financing cash flows	18,495	—	(2,174)	16,321
Changes from operating cash flows	—	—	(11,140)	(11,140)
Non-cash settlement	(116,498)	—	—	(116,498)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense *(note 7)*	3,613	—	—	3,613
At 31 December 2025	111,870	—	4,284	116,154

	Interest-bearing bank borrowings	Lease liabilities	Accrued [REDACTED]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	111,870	—	4,284	116,154
Changes from financing cash flows	(113,281)	—	(483)	(113,764)
Changes from operating cash flows	—	—	(2,199)	(2,199)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense *(note 7)*	1,411	—	—	1,411
At 31 May 2026	—	—	3,272	3,272

(c) Total cash outflow for leases

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	141	144	142	59	59
Within financing activities	1,029	—	—	—	—
Total	1,170	144	142	59	59

29. COMMITMENTS

The Group had the following contracted commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	7,237	5,400	—	187

30. RELATED PARTY TRANSACTIONS

(a) The Group had no transactions with related parties during the Relevant Periods and the five months ended 31 May 2025.

(b) Other transactions with related parties:

As at 31 December 2023:

(i) Mr. Chen Zichun has guaranteed certain of the Group's credit facilities amounting to RMB160,000,000;

(ii) Mr. Chen Zichun has guaranteed certain of the Group's bank loans amounting to RMB40,000,000 and has guaranteed and counter guaranteed certain of the Group's bank loans amounting to RMB29,990,000, respectively.

As at 31 December 2024:

(i) Mr. Chen Zichun has guaranteed certain of the Group's credit facilities amounting to RMB160,000,000;

(ii) Mr. Chen Zichun has guaranteed certain of the Group's bank loans amounting to RMB60,000,000 and has guaranteed and counter guaranteed certain of the Group's bank loans amounting to RMB29,990,000, respectively.

Mr. Chen Zichun's guarantees as at 31 December 2023 and 2024 stated above had been released as of 31 December 2025 upon the settlement of bank loans and the expiration of credit facilities.

Further quantitative data is disclosed in note 24 to the Historical Financial Information.

(c) Compensation of key management personnel of the Group:

The key management personnels during the Relevant Periods and the five months ended 31 May 2025 included two, two, three, three and two directors, respectively, details of whose compensation are set out in note 8 above. Details of the compensation for the remaining key management personnels of the Group during the Relevant Periods are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	1,204	1,542	2,296	759	854
Equity-settled share award expense	1,074	1,289	1,289	537	537
Pension scheme contributions	64	64	64	27	27
Total compensation paid to key management personnel	2,342	2,895	3,649	1,323	1,418

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	12,366	81,726	94,092
Financial assets included in prepayments, other receivables and other assets	71	—	71
Cash and cash equivalents	10,799	—	10,799
Total	23,236	81,726	104,962

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Interest-bearing bank borrowings	151,716
Financial liabilities included in other payables and accruals	1,977
Trade payables	391
Total	154,084

As at 31 December 2024

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	—	175,421	175,421
Financial assets included in prepayments, other receivables and other assets	76	—	76
Pledge deposits	26,977	—	26,977
Cash and cash equivalents	29,447	—	29,447
Total	56,500	175,421	231,921

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Interest-bearing bank borrowings	206,260
Financial liabilities included in other payables and accruals	4,114
Trade and bills payables	57,753
Total	268,127

As at 31 December 2025

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	—	44,647	44,647
Financial assets included in prepayments, other receivables and other assets	80	—	80
Pledge deposits	86,640	—	86,640
Cash and cash equivalents	190,380	—	190,380
Total	277,100	44,647	321,747

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Interest-bearing bank borrowings	111,870
Financial liabilities included in other payables and accruals	4,728
Trade and bills payables	186,799
Total	303,397

As at 31 May 2026

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	—	79,764	79,764
Financial assets included in prepayments, other receivables and other assets	1,022	—	1,022
Pledge deposits	126,940	—	126,940
Cash and cash equivalents	178,492	—	178,492
Total	306,454	79,764	386,218

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Financial liabilities included in other payables and accruals	3,784
Trade and bills payables	325,337
Total	329,121

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values approximate to the carrying amounts.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the financial controller. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value during each of the Relevant Periods were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivable	—	81,726	—	81,726

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivable	—	175,421	—	175,421

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivable	—	44,647	—	44,647

As at 31 May 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivable	—	79,764	—	79,764

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks.

Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade and bills receivables and financial assets included in prepayments, other receivables and other assets. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and period-end staging classification. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	13,017	13,017
Financial assets included in prepayments, other receivables and other assets — Normal**	71	—	—	—	71
Cash and cash equivalents	10,799	—	—	—	10,799
Total	10,870	—	—	13,017	23,887

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	—	—
Financial assets included in prepayments, other receivables and other assets — Normal**	76	—	—	—	76
Pledged deposits	26,977	—	—	—	26,977
Cash and cash equivalents	29,447	—	—	—	29,447
Total	56,500	—	—	—	56,500

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	—	—
Financial assets included in prepayments, other receivables and other assets — Normal**	80	—	—	—	80
Pledged deposits	86,640	—	—	—	86,640
Cash and cash equivalents	190,380	—	—	—	190,380
Total	277,100	—	—	—	277,100

As at 31 May 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	—	—
Financial assets included in prepayments, other receivables and other assets — Normal**	1,022	—	—	—	1,022
Pledged deposits	126,940	—	—	—	126,940
Cash and cash equivalents	178,492	—	—	—	178,492
Total	306,454	—	—	—	306,454

* For trade receivables to which the Group applies the simplified approach for impairment information based on the estimated loss rate are disclosed in note 19 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information. During the years ended 31 December 2023, 2024 and 2025 and 31 May 2026, the Group had certain concentrations of credit risk as 100%, nil, nil and nil of the Group's trade receivables were due from the Group's five largest customers, respectively.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023				
	On demand	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	—	153,277	—	—	153,277
Trade payables	—	391	—	—	391
Financial liabilities included in other payables and accruals	1,977	—	—	—	1,977
Total	1,977	153,668	—	—	155,645

	As at 31 December 2024				
	On demand	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	—	207,711	—	—	207,711
Trade and bills payables	—	57,753	—	—	57,753
Financial liabilities included in other payables and accruals	4,114	—	—	—	4,114
Total	4,114	265,464	—	—	269,578

	As at 31 December 2025				
	On demand	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	—	5,733	113,557	—	119,290
Trade and bills payables	—	186,799	—	—	186,799
Financial liabilities included in other payables and accruals	4,728	—	—	—	4,728
Total	4,728	192,532	113,557	—	310,817

	As at 31 May 2026				
	On demand	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	—	325,337	—	—	325,337
Financial liabilities included in other payables and accruals	3,784	—	—	—	3,784
Total	3,784	325,337	—	—	329,121

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes trade and bills payables, payroll payable, accrued [REDACTED], deposit and other payables, and interest-bearing bank borrowings. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings *(note 24)*	151,716	206,260	111,870	—
Trade and bills payables *(note 22)*	391	57,753	186,799	325,337
Payroll payable, accrued [REDACTED], deposit and other payables *(note 23)*	5,469	7,445	12,800	6,596
Debt	157,576	271,458	311,469	331,933
Total asset	255,705	427,931	522,929	694,436
Gearing ratio	62%	63%	60%	48%

34. EVENTS AFTER THE REPORTING PERIOD

On 9 June 2026, the Company was converted to a joint stock limited liability company and the registered capital of the Company was RMB121,773,015, which was divided into 121,773,015 shares, with a nominal value of RMB1.00 per share.

On 6 July 2026, Janbon HK, the shareholder of the Company, entered into a share transfer agreement with Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited. Janbon HK agreed to transfer 6,076,473 Shares, 6,076,473 Shares, 5,966,879 Shares and 3,653,190 Shares in the Company to Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited.

On 6 July 2026, the Company and its shareholders Mr. Chen Zichun, Jinan Weilanwan, Xinchen Huizhi, Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited executed a shareholders' agreement. Certain redemption and other preferential rights are granted to Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited and these shall automatically terminate and cease to have effect upon the Company's listing.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or its subsidiary in respect of any period subsequent to 31 May 2026.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the People's Republic of China (the "**PRC**") and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an [REDACTED] in the H shares, nor does it take into account the specific circumstances of any particular [REDACTED], some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [REDACTED] in the H shares.

The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect. This discussion does not address any aspects of PRC taxation other than income tax, value-added tax, stamp duty and estate duty. [REDACTED] are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation In mainland China

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**Individual Income Tax Law**"), amended by the Standing Committee of the National People's Congress (the "**SCNPC**") on 31 August 2018 and effective on 1 January 2019, and Regulation On the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the Ministry of Finance, the State Taxation Administration (the "**STA**") and the China Securities Regulatory Commission (the "**CSRC**") on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering of the enterprise or from the stock transfer market and holds the stocks for more than one year, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家税務總局關於〈內地和香港特別行政區關於對所得避

免雙重徵稅和防止偷漏稅的安排〉第五議定書》), or the Fifth Protocol, issued by The STA and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investor

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), amended by the SCNPC and effective on 29 December 2018, and Regulation On the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Rules of the EIT Law**"), last amended on December 6, 2024, and came into effect on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the STA and effective on 6 November 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in countries or regions which have entered into taxation agreements for the avoidance of double taxation with the PRC are generally entitled to a lower withholding tax rate on the dividends received from PRC enterprises. The PRC has entered into such agreements with a number of jurisdictions including but not limited to Hong Kong, China, Macau, China, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Pursuant to Rules for the Implemention of the Law of the PRC on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法實施細則》), where there are differences between provisions of applicable tax treaties and agreements and those of domestic tax legislations, such treaties and agreements shall prevail. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise [REDACTED] of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

Tax related to equity transfer income

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》), which was promulgated by the MOF and the SSAT and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. On 31 December 2009, the MOF, the STA and CSRC jointly issued the Notice on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), this notice provides that any individual's income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to Restricted Stocks, as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individual's income from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly issued by the above-mentioned three departments on 10 November 2010. The SAT does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law. As of the Latest Practicable Date, no aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non- PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H Shares by non-mainland China investors outside of the mainland China are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate duty

According to PRC law, no estate duty is currently levied in the mainland China.

MAJOR TAXATION OF OUR COMPANY IN MAINLAND CHINA

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), enterprises and other income-generating organizations (hereinafter collectively referred to as "**enterprises**") within the territory of the PRC are the taxpayers of enterprise income tax and shall

pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Pursuant to the Measures for the Administration of Accreditation of High-tech Enterprises (《高新技術企業認定管理工作指引》), which was jointly promulgated by the Ministry of Science and Technology of the PRC, the MOF, and the SAT on April 14, 2008, amended on January 22, 2016 and entered into force on January 1, 2016, high-tech enterprises may apply for a preferential EIT rate of 15% under the EIT Law.

Value-added tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), which was promulgated by the SCNPC on December 25, 2024, came into effect on January 1, 2026 and repealed the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) simultaneously, all entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, and import goods in the PRC shall be taxpayers of value-added tax and shall pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Adiministration (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Provisions on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on a Group of Administrative Approval Items Cancelled or Adjusted and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by People's Bank of China and the SAFE on December 24, 2025 and effective on April 1, 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration. In principle, funds raised by domestic enterprises through overseas listings shall be remitted back to the territory in a timely manner. Where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the business competent authorities before the date of completion of the overseas issuance or the over-allotment option, and shall comply with relevant cross-border funds administration provisions.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and came into effect on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on 9 June 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution, and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**") which was amended in 2023, the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to enact and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to enact and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to enact administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may enact local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the National Audit Office of the People's Republic of China as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, enact rules.

The people's congresses and their respective standing committees of cities with subordinate districts may, in the areas of urban and rural development and management, environmental protection and the preservation of history and culture, enact local regulations based on the specific circumstances and actual requirements, which shall become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions, but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The people's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The people's governments of the provinces, autonomous regions, municipalities and cities with subordinate districts may enact rules in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities with subordinate districts or autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Organic Law of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》) amended in 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts, and other special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the adjudication work of the people's courts at all levels.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**", amended in 2023), which was adopted in 1991, amended in 2007, 2012, 2017 and 2021 and last amended on September 1, 2023 by the Standing Committee of the NPC, and become effective on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either located at the plaintiff's or the defendant's place of domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally and whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

According to the Arrangements on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between by the the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024, the Arrangements apply to the reciprocal recognition and enforcement of effective judgments in civil, commercial cases and civil compensation in criminal cases between courts of the Mainland and Hong Kong. Accordingly, the effective judgments satisfying the conditions of the Arrangement may be recognized and enforced by the PRC court or Hong Kong court upon the application by the parties concerned.

THE COMPANY LAW AND TRIAL MEASURES AND GUIDELINES FOR OVERSEAS LISTING

A joint stock limited company incorporated in the PRC and seeking a [REDACTED] on the Hong Kong Stock Exchange is mainly subject to the following three laws and regulations in the PRC:

The Company Law of the People's Republic of China (《中華人民共和國公司法》) ("**Company Law**") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively and the latest amendment of which was implemented on July 1, 2024.

The Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023, which are applicable to overseas offerings and listings of securities of PRC domestic companies.

The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines**") issued by the CSRC on December 16, 1997, as last amended on March 28,2025 and effective on the same date, which provide guidance on the articles of association of companies. Accordingly, the contents of the Guidelines are set out in the Company's Articles of Association and a summary thereof is set out in the section headed "Appendix V — Summary of Articles of Association" of this document.

Set out below is a summary of the major provisions of the Company Law and the trial measures and guidelines for overseas listing.

General

A joint stock limited company refers to an enterprise legal person incorporated in China under the Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares of equal par value. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

Share capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out. The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, the class and amount of new shares to be issued to existing shareholders and the amount of the proceeds of issue of the new shares without par value included in the registered capital. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) the company shall prepare a balance sheet and a property list; (ii) the reduction of registered capital shall be approved by a shareholders' meeting; (iii) the company shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction; and (iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of the shareholder register of listed companies, those provisions shall prevail.

Shareholder

Under the Company Law and the Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the right:

- to receive dividends and profit distributions in any other form in proportion to their shareholdings;
- to lawfully require, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;
- to supervise, present suggestions on or make inquiries about the operations of the Company;
- to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the articles of association;
- to inspect the company's articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders' meetings, resolutions of the board of directors, resolutions of the Supervisory Committee and financial and accounting reports of the company;
- in the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;
- to require the company to buy their shares in the event of their objection to resolutions of the shareholders' meeting concerning merger or division of the company; and

- any other shareholders' rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders' meeting may exercise its powers:

- to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- to review and approve the reports of the board of directors;
- to review and approve the reports of the Supervisory Committee;
- to review and approve the company's profit distribution proposals and loss recovery proposals;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of corporate bonds;
- to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- to amend the articles of association; and
- to exercise any other authority stipulated in the articles of association.

A shareholders' meeting is required to be held once every year. An extraordinary shareholders' meeting is required to beheld within two months of the occurrence of any of the following:

- the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;
- the outstanding losses of the company amounted to one-third of the company's total share capital;
- shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;
- the board deems necessary;
- the Supervisory Committee proposes to hold; or
- any other circumstances as provided for in the articles of association.

Under the Company Law, shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholders' meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the shareholders' meetings is issued, the shareholders' meetings shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of shareholders' meetings shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the shareholders' meetings convened by the supervisory committee or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders' meetings is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders' meetings. The convener shall issue a supplementary notice of the shareholders' meetings within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; and (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors may exercise its powers:

- to convene shareholders' meetings and report on its work to the shareholders' meetings;
- to implement resolutions of the shareholders' meeting;
- to decide on the company's operational plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- to decide on the setup of the company's internal management organs;
- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other authority stipulated in the articles of association.

Board meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of

directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or a resolution of the shareholders' meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board of the Directors

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualifications of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or
- a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

Supervisory Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the Supervisory Committee, in place of a Supervisory Committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the supervisory committee shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee are elected with approval of more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the chairman of the supervisory committee is incapable of performing or not performing his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the vice chairman of the supervisory committee is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the supervisory committee shall be passed by more than half of all the supervisors.

The supervisory committee exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under this law;
- to initiate proposals for resolutions to shareholders' meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and

- supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorised by the board of directors. The manager attends board meetings. According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits.

Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager. Directors, supervisors and senior management are prohibited from:

- seizing or misappropriating company property or funds;
- depositing the company's capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Income generated by directors or senior management in violation of aforementioned regulations shall be returned to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' meetings in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: i) after reporting to the board of directors or the shareholders' meetings and a resolution by the board of directors or the shareholders' meetings in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual shareholder' meetings. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meetings, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund. The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meetings, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meetings, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meetings.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendment to the Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In the event of a company registration, the amendments to the articles of association shall be registered with the relevant registration authorities in accordance with applicable laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' meetings has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' meetings if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' meetings in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meetings.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to settle claims and debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meetings or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to he liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meetings or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures and relevant five guidelines, promulgated by the CSRC and came into force on March 31, 2023, a PRC domestic enterprise that directly or indirectly issues or lists its securities in an overseas market, including (1) any PRC joint stock limited company, and (2) any overseas enterprise that principally conducts its business in the PRC and proposes to issue or list its securities in an overseas market on the basis of its domestic equity interests, assets or similar interests, is required to file a report with the CSRC within three business days after it submits an application for overseas listing. Where the issuer issues securities in the same overseas market following the overseas issuance and listing, it shall be filed with the CSRC within three working days upon the completion of the issuance. Subsequent offerings and listings of securities by the issuer in other foreign markets shall be filed as initial public offerings. A PRC domestic enterprise that fails to complete the filing in accordance with the Overseas Listing Trial Measures may be ordered to rectify, warned or fined from RMB1 million to RMB10 million by the CSRC.

In addition, the issuer shall report the following major events to the CSRC within three working days from the date of occurrence and announcement of the relevant events: (i) change of control; (ii) being investigated or punished by overseas securities regulatory authorities or the relevant competent authorities; (iii) change of listing status or sector; (iv) voluntary or forced termination of the listing. Where the issuer witnesses significant changes in its main business operations after the overseas issuance and listing such that it no longer falls within the scope of filing, the issuer shall, within three working days from the date of such changes, submit a special report together with legal opinions issued by a domestic law firm to the CSRC explaining the relevant circumstances.

Under the Overseas Listing Trial Measures, domestic companies seeking to offer and list securities directly or indirectly in overseas markets must complete filing procedures with the CSRC and report relevant information. The Overseas Listing Trial Measures stipulate that under any of the following circumstances, no overseas offering or listing is allowed: (i) financing through listing is explicitly prohibited by laws, administrative regulations or relevant provisions of China; (ii) the overseas offering and listing may endanger national security, as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller intending to list or issue securities in overseas markets has committed criminal offenses of corruption, bribery, embezzlement, misappropriation of property or disrupting the order of the socialist market economy within the last three years; (iv) a domestic company intending to list or issue securities in overseas markets is under investigation according to law for suspected criminal offenses or major violations of laws and regulations, and no definitive conclusions have been reached; or (v) there is a major dispute over the ownership of equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder and/or the actual controller of a domestic company.

Merger and Division

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The PRC Securities Law (《中華人民共和國證券法》) took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest amendment to the Securities Law took effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in order to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, the CSRC issued the Business Guidelines for the Application for "Full Tradability" of the Domestic Unlisted Shares of an H-Share Company (《H 股公司境內未上市股份申請「全流通」業務指引》), which became effective on the same day and was partially amended on August 10, 2023 pursuant to the Decision of the China Securities Regulatory Commission to Amend and Repeal Certain Documents and Futures Regimes (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》). The purpose of the Guidelines is to regulate the listing and circulation of unlisted domestic shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued in the PRC upon overseas listing and unlisted shares held by overseas shareholders) of domestic joint stock limited companies listed on the Stock Exchange (hereinafter referred to as H-share companies) (hereinafter referred to as "**Full Tradability**").

H-share companies applying for "Full Tradability" shall apply to the CSRC for record-filing. H-share companies may, separately or concurrently, submit an application for "Full Circulation" when applying for offshore refinancing. An unlisted domestic joint stock limited company may submit an application for "Full Tradability" at the same time when applying for an overseas initial public offering and listing.

This appendix contains a summary of the principal provisions of the Articles of Association of the Company, which will take effect on the date of the [REDACTED] of the H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide [REDACTED] with an overview of the Articles of Association of the Company, and as such, it may not contain all information that is important to [REDACTED].

1 DIRECTORS AND THE BOARD OF DIRECTORS

(1) Power to Allot and Issue Shares

There is no provision in the Articles of Association granting the Board of Directors the power to allot or issue shares. The Board of Directors shall formulate plans for the increase of registered capital, the issuance of bonds or other securities, and for listing, which shall be subject to the approval of the general meeting. Any allotment or issuance of shares shall be conducted in accordance with the procedures stipulated by applicable laws, administrative regulations, and regulatory rules.

(2) Power to Dispose of the Assets of the Company or any of Its Subsidiaries

The Board of Directors shall, within the scope of authority granted by the general meeting or in accordance with the Hong Kong Listing Rules and the requirements of the other securities regulatory rules of the place where the Company's shares are listed, decide on matters such as the Company's external investments, acquisitions and disposals of assets, charge of assets, external guarantees, entrusted wealth management, related (connected) transactions, and external donations.

(3) Compensation or Payments for Loss of Office

The general meeting may resolve to remove any Director, and such removal shall take effect from the date on which the resolution is passed. Where a Director is removed without justifiable cause before the expiration of his/her term of office, the Director may claim compensation from the Company.

(4) Loans to Directors

There is no provision in the Articles of Association regarding the provision of loans to Directors.

(5) Financial Assistance for the Purchase of Shares in the Company or any of its Subsidiaries

The Company or its subsidiaries (including affiliated enterprises of the Company) shall not provide financial assistance by way of gifts, advances, loans, guarantees, supplementary , or otherwise to any person for the purpose of acquiring the shares of the Company, except for the implementation of employee share ownership plans by the Company.

For the benefit of the Company, subject to compliance with securities regulatory rules of the place where the Company's shares are listed, upon a resolution of the general meeting, or a resolution of the Board of Directors acting in accordance with the Articles of Association or the authorization of the general meeting, the Company or its subsidiaries (including affiliated enterprises of the Company) may provide financial assistance to any person for the purpose of acquiring shares of the Company, provided that the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. A resolution of the Board of Directors shall be passed by two-thirds or more of all Directors.

(6) Disclosure of Interests in Contracts with the Company or any of its Subsidiaries

Matters relating to a Director entering into contracts or conducting transactions with the Company, whether directly or indirectly, shall be reported to the Board of Directors and shall be subject to approval by a resolution of the Board of Directors.

(7) Remuneration

The appointment and removal of members of the Board of Directors, as well as their remuneration and payment methods, shall be approved by the general meeting by way of an ordinary resolution.

(8) Retirement, Appointment and Removal

The Company shall have a Board of Directors, which shall be accountable to the general meeting. The Board of Directors shall consist of seven Directors and shall have one chairman, who shall be elected by the Board of Directors by a majority vote of all the Directors. The Board of Directors shall include three independent non-executive Directors.

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by an ordinary resolution of the shareholders' meeting before the expiry of their term of office, including in the case of executive directors; provided that such removal shall not affect any claim for damages that the Director may have under any contract. Each Director shall serve a term of three years. Upon expiry of their term, Directors may stand for re-election and serve consecutive terms. However, where an independent non-executive Director has served more than nine years, their re-appointment shall be subject to the relevant review procedures in accordance with the requirements of Hong Kong Listing Rules. Before the expiry of their term of office, a Director may not be removed by the shareholders' meeting without cause. Where otherwise provided by applicable laws, regulations or securities regulatory rules of the places where the shares of the Company are listed, such provisions shall prevail.

The term of office of a Director shall commence from the date of on which he/she assumes his/her position until the expiration of the term of the current session of the Board of Directors. If a Director is not timely re-elected upon the expiration of his/her term, the original Director shall continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules, and the Articles of Association until a successor is elected and takes office.

A director appointed by the Board of Directors to fill a casual vacancy on the Board or as an addition to the Board shall hold office from the date of his/her appointment until the first annual shareholders' meeting following his/her appointment.

The general manager or other senior management members may concurrently serve as Directors, provided that the number of Directors who concurrently serve as the general manager or other senior management members shall not exceed one-half of the total number of Directors of the Company.

The Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors, among which non-executive Directors refer to the Directors who do not hold management positions in the Company. An independent non-executive Director means a person who satisfies the criteria set out in Article 108 of the Company's Articles of Association.

Directors of the Company shall be natural persons. A person may not serve as a Director of the Company in any of the following circumstances:

i having no capacity or limited capacity for civil conduct;

ii having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, or having been deprived of political rights due to a crime, where less than five years have elapsed since the completion of the execution of the sentence; or having been granted a suspended sentence, where less than two years have elapsed since the expiry of the probation period;

iii having served as a director, factory director, or manager of a company or enterprise which has been bankrupted and liquidated, and being personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;

iv having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of law, and being personally liable for such revocation or closure, where less than three years have elapsed since the date of the revocation of the business license or the closure of such company or enterprise;

v having a large amount of outstanding debts due and being listed as a dishonest judgment debtor by the People's Court;

vi being barred from the securities market by the CSRC (China Securities Regulatory Commission), and the period of such bar has not yet expired;

A person who has been publicly determined by the stock exchange as unfit to serve as a director of a company

vii other circumstances as prescribed by laws, administrative regulations, departmental rules, or the regulatory rules of the place where the Company's shares are listed.

Any election or appointment of a Director in violation of the preceding provisions shall be invalid. Where any of the circumstances mentioned in the preceding paragraph occurs during the term of office of a Director, the Company shall remove such Director from office.

(9) Borrowing Powers

Except for the provisions that (a) the Board of Directors has the power to formulate plans for the issuance of bonds by the Company; and (b) the general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds, there is no provision in the Articles of Association regarding the power of Directors to exercise borrowing powers.

2 AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company shall amend the Articles of Association in any of the following circumstances:

(1) after the PRC Company Law or relevant laws, administrative regulations, or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules") and other securities regulatory rules of the places where the shares of the Company are listed have been amended, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws, administrative regulations and securities regulatory rules of the places where the shares of the Company are listed, or the Listing Rules;

(2) there is a change in the circumstances of the Company which is inconsistent with the matters recorded in the Articles of Association;

(3) the general meeting decides to amend the Articles of Association.

Any amendment to the Articles of Association passed by a resolution of the general meeting that is subject to the review and approval by the competent authorities shall be submitted to the competent authorities for approval. Where an amendment involves registration matters of the Company, change of registration shall be effected in accordance with the law.

3 VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

There are no provisions in the Articles of Association regarding the variation of rights of existing shares or classes of shares.

4 SPECIAL RESOLUTIONS REQUIRING A MAJORITY VOTE

Resolutions of the general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by more than half of the voting rights held by the shareholders (including their proxies) attending the general meeting.

A special resolution shall be passed by two-thirds or more of the voting rights held by the shareholders (including their proxies) attending the general meeting.

The following matters shall be passed by way of ordinary resolutions at a general meeting:

(1) work reports of the Board of Directors;

(2) profit distribution plans and plans for making up losses formulated by the Board of Directors;

(3) appointment and removal of members of the Board of Directors and their remuneration and payment methods;

(4) matters other than those required by laws, administrative regulations, Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed, or the Articles of Association to be passed by way of special resolutions.

The following matters shall be passed by way of special resolutions at a general meeting:

(1) increase or reduction of the registered capital of the Company and issue any class of shares, warrants or other similar securities;

issue corporate bonds

(2) division, spin-off, merger, dissolution, liquidation, and change of corporate form of the Company;

(3) amendments to the Articles of Association;

(4) where the amount of major assets purchased or sold by the Company, or the amount of guarantees provided to others by the Company within one year exceeds 30% of the latest audited total assets of the Company; the aforementioned provision shall not apply to guarantees provided by the Company for its subsidiaries, by the subsidiaries for the Company, and among the subsidiaries;

(5) equity incentive schemes and employee share ownership plans;

(6) other matters required by laws, administrative regulations, departmental rules, Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, and determined by the general meeting by way of an ordinary resolution to have a significant impact on the Company and thus requiring approval by way of a special resolution.

Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

5 VOTING RIGHTS (GENERALLY AND BY POLL)

Shareholders (including their proxies) shall exercise their voting rights based on the number of voting shares they represent, and each share shall have one vote. When voting, shareholders (including their proxies) holding two or more votes are not required to cast all of their votes in favor or against.

Shares of the Company held by the Company itself shall carry no voting rights, and such shares shall not be counted in the total number of voting shares present at the general meeting.

Pursuant to applicable laws and regulations, the Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed, if any shareholder is required to abstain from voting on a resolution, or is restricted to casting only a vote in favour of (or against) a resolution, such shareholder shall abstain or vote in accordance with such provisions. Any vote cast by such shareholder, or by a representative on their behalf, in contravention of the relevant provisions or restrictions shall not be counted in the poll result.

Shareholders attending the general meeting shall indicate one of the following opinions on the proposals submitted for voting: "for", "against", or "abstain". The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent. Any voting ballot which is left blank, incorrectly filled out, illegible, or not cast shall be deemed as a waiver of the voting rights of the voter, and the voting result of the shares held by such voter shall be counted as "abstain".

According to the Hong Kong Listing Rules, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholders or their representatives in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

6 REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year and within six (6) months after the end of the preceding financial year.

7 ACCOUNTS AND AUDIT

(1) Financial and Accounting Policies

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, and the requirements of relevant national authorities. Where the Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed provide otherwise, such provisions shall prevail.

The Company shall not establish any accounting books other than the statutory accounting books. No funds of the Company shall be deposited in an account opened in the name of any individual.

(2) Appointment and Removal of Auditors

The Company shall appoint an accounting firm that complies with the requirements of laws, regulations, and the Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed to carry out the annual audit of financial statements, verification of net assets, and other advisory services in Hong Kong and other such business. The term of appointment shall be one year and is eligible for re-appointment.

The appointment and removal of an accounting firm by the Company shall be decided by the general meeting. The Board of Directors shall not appoint an accounting firm before a decision is made by the general meeting.

The Company guarantees that it will provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting information, and shall not refuse, conceal, or make false reports.

When the Company removes or does not re-appoint an accounting firm, it shall give 30 days' prior notice to the accounting firm. When the general meeting of the Company votes on the removal of the accounting firm, the accounting firm shall be allowed to state its opinions. Where an accounting firm resigns, it shall explain to the general meeting whether there are any irregularities in the Company.

8 NOTICE OF MEETINGS AND BUSINESS TO BE CONDUCTED

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(1) the number of Directors is less than the number required by the PRC Company Law or less than two-thirds of the number stipulated in the Articles of Association;

(2) the unrecovered losses of the Company reach one-third of the total amount of its paid-in share capital;

(3) when requested in writing by shareholder(s) holding, individually or in aggregate, 10% or more of the Company's shares;

(4) when the Board of Directors deems it necessary;

(5) when the Audit Committee proposes to convene such a meeting;

(6) other circumstances as prescribed by laws, administrative regulations, departmental rules, the the Hong Kong Listing Rules, or the Articles of Association of the place of incorporation and/or the place where the Company's shares are listed.

If the extraordinary shareholders' meeting is convened in accordance with the provisions of the securities regulatory rules of the place where the Company is listed, the actual convening date of the extraordinary shareholders' meeting can be adjusted according to the approval progress (if applicable) of the stock exchange where the Company is listed.

General meetings shall be convened by the Board of Directors in accordance with the law.

With the consent of more than half of all independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. In response to such a proposal from the independent non-executive Directors, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution of the Board of Directors is made. If the Board of Directors disagrees to convene the extraordinary general meeting, it shall explain the reasons and make an announcement. Where the Hong Kong securities regulatory authorities have additional provisions, such provisions shall prevail.

The Audit Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting, and such proposal shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative

regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene the extraordinary general meeting, or fails to provide feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable to or fails to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or in aggregate holding 10% or more of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting and to add proposals to the meeting agenda, and such request shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the request.

If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution of the Board of Directors is made. Any change to the original request in the notice shall be subject to the consent of the relevant shareholders. Where laws, administrative regulations, departmental rules, or the regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

If the Board of Directors disagrees to convene the extraordinary general meeting, or fails to provide feedback within 10 days after receiving the request, shareholder(s) individually or in aggregate holding 10% or more of the Company's shares shall have the right to propose to the Audit Committee the convening of an extraordinary general meeting, and such request shall be made to the Audit Committee in writing.

The Audit Committee shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days after receiving the request. If the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five days after receiving the request. Any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice of the general meeting within the stipulated period, it shall be deemed that the Audit Committee does not convene or preside over the general meeting, and shareholder(s) individually or in aggregate holding 10% or more of the Company's shares for at least 90 consecutive days may convene and preside over the meeting on their own.

Where the Audit Committee or the shareholders decide to convene a general meeting on their own, they shall notify the Board of Directors in writing. Simultaneously, make the requisite filings or announcements in compliance with the securities regulatory rules of the places where the shares of the Company are listed and the requirements of the stock exchange. Prior to the passing of the resolution of the general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

The Audit Committee or the convening shareholder shall take the requisite actions in accordance with the securities regulatory rules of the places where the shares of the Company are listed and requirements and provisions of the stock exchange, prior to the despatch of the notice of the shareholders' meeting and the publication of the announcement of the resolutions passed at the shareholders' meeting.

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholder(s) individually or in aggregate holding 1% or more of the Company's shares shall have the right to submit proposals to the Company. Shareholder(s) individually or in aggregate holding 1% or more of the Company's shares may submit interim proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receiving the proposals, announce the contents of the interim proposals, and submit such interim proposals to the general meeting for consideration. However, this shall not apply where the interim proposals violate the provisions of laws, administrative regulations, the Hong Kong Listing Rules, or the Articles of Association, or do not fall within the scope of authority of the general meeting. If, according to the securities regulatory rules of the place where the Shares of the Company are listed, the Shareholders' meeting must be postponed due to the issuance of a supplementary notice, the convening of the Shareholders' meeting shall be delayed in accordance with the said rules.

Except for the circumstances provided in the preceding paragraph and by laws and administrative regulations, the convener shall not amend the proposals listed in the notice of the general meeting or add new proposals after the notice is issued.

The general meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice or do not comply with the Articles of Association.

The convener shall notify all shareholders in writing (including by way of announcement) at least 21 days prior to the convening of the annual general meeting, and in writing (including by way of announcement) at least 15 days prior to the convening of an extraordinary general meeting. Where laws, administrative regulations, or the regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail. If the general meeting is required to be postponed due to the publication of a supplemental notice of the general meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the general meeting shall be postponed in accordance with such rules.

In calculating the notice period, the date of the meeting shall not be included.

9 TRANSFER OF SHARES

Unless otherwise provided for by laws, administrative regulations and the Hong Kong Listing Rules, fully paid-up shares of the company may be transferred freely and shall not be subject to any lien. Shares of the Company may be donated, inherited and pledged in accordance with applicable laws, administrative regulations and these Articles of Association. All transfers of H shares shall be effected by an instrument of transfer in writing in any usual or common form or in any other form acceptable to the Board of Directors (including the standard transfer form or transfer form prescribed by The Stock Exchange of Hong Kong Limited from time to time). Where the transferor or transferee of the Company's shares is a recognised clearing house (hereinafter referred to as the "Recognised Clearing House") within the meaning of the relevant ordinances as from time to time in force in Hong Kong, or its agent, the instrument of transfer may be executed by hand or by mechanical printing. All instruments of transfer shall be kept at the Company's statutory address or at such other place as the Board of Directors may from time to time determine. Transfer documents and other documents relating to or affecting the ownership of H shares shall be registered with the share registrar appointed by the Company in Hong Kong. The H shares of the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited, and matters relating to the delisting of the H shares shall be handled in accordance with the Hong Kong Listing Rules and other relevant provisions.

The Company shall not accept its own shares as the subject of a pledge.

Shares issued prior to the public offering of the Company's shares shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange. Where a shareholder of the Company voluntarily undertakes to lock up the shares held by

him or her, such shares shall not be transferred during the lock-up period. Where laws, administrative regulations, or the securities regulatory authority under the State Council provide otherwise regarding the transfer of shares of the Company held by the shareholders or the actual controllers of a listed company, such provisions shall prevail. Directors and senior management of the Company shall report to the Company their shareholdings in the Company and the changes thereof; the shares transferred by them each year during their term of office as determined upon their appointment shall not exceed 25% of the total number of shares of the Company held by them; and the shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed and traded. The aforementioned personnel shall not transfer the shares of the Company held by them within half a year after leaving office.

Directors, senior management members, and shareholders holding more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or to other circumstances stipulated by relevant laws and regulations, the CSRC, or the securities regulatory authorities of the Company's stock listing place.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this Article, shareholders shall have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within such period, shareholders shall have the right to directly file a lawsuit with the People's Court in their own name for the benefit of the Company.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this Article, the Directors responsible shall bear joint and several liability in accordance with law.

If the transfer restrictions under this this Article involve H shares, the relevant provisions of the Hong Kong securities regulatory authority shall be complied with.

In the event that the Hong Kong Listing Rules and the relevant provisions of the Hong Kong securities regulatory authority provide otherwise with respect to the transfer restrictions on overseas listed shares, such provisions shall prevail.

10 POWER OF THE COMPANY TO REPURCHASE ITS SHARES

Subject to compliance with the laws and regulations of the place of incorporation and/or the place where the Company's shares are listed, the Hong Kong Listing Rules and the provisions of these Articles of Association, the Company may, under the following circumstances, purchase its own shares in accordance with laws, administrative regulations, departmental rules and these Articles of Association:

(1) reduction of the registered capital of the Company;

(2) merger with another company that holds shares in the Company;

(3) use of shares for employee share ownership plans or equity incentives;

(4) shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to purchase their shares;

(5) use of shares for conversion of convertible corporate bonds issued by the Company;

(6) where it is necessary for the Company to safeguard its value and shareholders' rights and interests;

(7) Circumstances permitted by the laws, administrative regulations and departmental rules of the place of incorporation and/or the place where the Company's shares are listed, the Hong Kong Listing Rules and other relevant provisions.

Except for the above circumstances, the Company shall not engage in any activities of buying or selling its own shares.

Where the Company acquires its own shares under the circumstances set out in items (1) or (2) above, it shall be subject to a resolution of the general meeting. Where the Company acquires its own shares under the circumstances set out in items (3), (5), or (6) above, it shall be subject to a resolution of a Board meeting attended by two-thirds or more of the Directors. Upon adoption, it shall be implemented without the need to convene a shareholders' meeting.

After the Company has acquired its own shares, such shares shall be cancelled within 10 days from the date of acquisition under the circumstance set out in item (1) above; shall be transferred or cancelled within six months under the circumstances set out in items (2) or (4); and in the case of circumstances set out in items (3), (5), or (6), the total number of shares of the Company held by the Company itself shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

The Company may acquire its own H Shares in accordance with the requirements of these Articles of the Company, and may choose to immediately cancel them or hold them as treasury shares in accordance with the Hong Kong Listing Rules. For treasury shares, the Company shall hold the treasury shares in a clearly identifiable separate account for treasury shares within the Central Clearing and Settlement System. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or paid in respect of a treasury share.

When the Company acquires its own shares, it may do so by one of the following methods:

(1) through centralised bidding transactions on a stock exchange;

(2) by way of a general offer;

(3) by such other methods as are recognised under the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other provisions of the place of incorporation and/or the place where the Company's shares are listed.

Where the Company acquires its own shares under the circumstances set out in items (3), (5) and (6) above, such acquisition shall be carried out by way of public centralised trading, and shall be conducted in compliance with laws and regulations, the relevant provisions of the CSRC and the Hong Kong Listing Rules and other securities regulatory rules of the places where the shares of the Company are listed, and the Company shall perform its information disclosure obligations accordingly.

If the relevant laws, regulations, regulatory documents and the Hong Kong Listing Rules and other relevant securities regulatory provisions of the place of incorporation and/or the place where the Company's shares are listed provide otherwise with respect to the circumstances, methods or other related matters involved in the aforementioned share repurchase, such provisions shall prevail, provided that they do not contravene the Company Law and the Securities Law.

11 POWER OF ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN ITS PARENT COMPANY

The Company's subsidiaries (including the Company's affiliated enterprises) shall not provide financial assistance by way of gifts, advances, loans, guarantees, loans, or supplementary to any person for the purpose of acquiring the shares of their parent company, except for the implementation of employee share ownership plans by the Company.

12 DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company distributes profits in the form of cash, shares, a combination of cash and shares, or other methods permitted by laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

The profit distribution plans of the Company shall be formulated by the Board of Directors, and shall be submitted to the general meeting for consideration and passed by way of an ordinary resolution after being approved by the Board of Directors.

After a resolution on the profit distribution plan is passed at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within six months after the date of the general meeting.

Where the general meeting distributes profits to shareholders in violation of the PRC Company Law, the shareholders shall refund the profits distributed in violation of the provisions to the Company. Where losses are caused to the Company, the shareholders and the responsible Directors, the Audit Committee, and members of senior management shall be liable for compensation.

Shares of the Company held by the Company shall not participate in profit distribution.

13 PROXIES

All shareholders registered on the record date or their proxies are entitled to attend the general meeting, speak at the general meeting, and exercise their voting rights in accordance with relevant laws, regulations, and the Articles of Association, unless an individual shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place where the Company's shares are listed (for example, where a shareholder has a material interest in a particular transaction or arrangement being voted upon). A shareholder may attend the general meeting in person or appoint one or more proxies to attend and vote on his/her behalf.

An individual shareholder attending the meeting in person shall produce his/her identification card or other valid certificates or proof capable of establishing his/her identity, and share certificates. When a proxy is appointed to attend the meeting, the proxy shall also produce his/her own valid identification document and the instrument of proxy from the shareholder. A corporate shareholder shall be represented by its legal representative (or responsible person)/managing partner or a proxy appointed by its legal representative (or responsible person)/managing partner. When the legal representative (or responsible person)/managing partner attends the meeting, he/she shall produce his/her identification card and valid proof of his/her capacity as a legal representative (or responsible person)/managing partner. When a proxy is appointed to attend the meeting, the proxy shall produce his/her identification card and the written instrument of proxy issued by the legal representative (or responsible person)/managing partner of the corporate shareholder in accordance with the law (except where the shareholder is a recognised clearing house (as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (hereinafter referred to as the "Hong Kong Securities and Futures Ordinance") or other relevant ordinances in force from time to time under the laws of Hong Kong) or its nominee).

If a shareholder is a recognised clearing house (or its proxy(ies)) as defined in the Hong Kong Securities and Futures Ordinance or other relevant ordinances enacted under the laws of Hong Kong from time to time, such shareholder may authorize one or more persons as it thinks fit to act as its

representative(s) or its nominee at any general meeting and any creditors' meeting; however, if more than one person is authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. The authorization shall be signed by the authorized personnel of the recognised clearing house. A person so authorized may attend the meeting and exercise the rights on behalf of the recognised clearing house (or its proxy(ies)) (without producing share certificates, notarized authorization and/or further evidence to substantiate that he/she is so authorized), including the right to speak and vote, as if such person were an individual shareholder of the Company.

Any shareholder entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders of the Company) as his proxy or proxies to attend and vote on his behalf. Such proxy or proxies may, in accordance with the appointment by the shareholder, exercise the following rights:

(1) The voting rights of this shareholder at the shareholders' meeting;

(2) To request a vote by themselves or jointly with others;

(3) To exercise voting rights by way of a show of hands or by way of a poll, except where otherwise required by relevant laws, regulations and regulatory documents, the Hong Kong securities regulatory authorities and the Hong Kong Listing Rules; provided that where more than one proxy is appointed, such proxies may exercise voting rights only by way of a poll.

The instrument of proxy issued by a shareholder to appoint another person to attend the general meeting shall specify the following:

(1) the name of the proxy and the number of shares represented by the proxy;

(2) whether the proxy has voting rights;

(3) specific instructions of the shareholder, including instructions to vote "or", "against", or "abstain" on each matter to be considered on the agenda of the general meeting;

(4) the date of issuance and the period of validity of the instrument of proxy;

(5) the signature (or seal) of the appointer. If the appointer is a corporate shareholder or other institution/a partnership shareholder, the seal of the corporation or institution, the partnership shall be affixed. If an overseas corporate shareholder does not have a common seal, it may be signed by a legally authorized person.

(6) other matters required to be set out by the listing rules of the place where the Company's shares are listed.

Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of the instrument of proxy, such provisions shall prevail.

Every instrument of proxy shall be deposited at the Company's registered office, or at such other place as may be designated in the notice of the meeting, not less than 24 hours before the time fixed for the meeting, or, if a poll is to be taken, not less than 24 hours before the time appointed for the taking of the poll.

14 CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association regarding calls on shares and forfeiture of shares.

15 INSPECTION OF REGISTER OF SHAREHOLDERS

The Company shall establish a register of shareholders in accordance with the PRC Company Law, other relevant provisions, and the Articles of Association. The register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. Shareholders of the Company are those who legally hold the Company's shares and whose names (or titles) are registered in the register of members. The original H share register of members shall be kept in Hong Kong for inspection by shareholders. The Company may, after giving notice in accordance with the relevant provisions of the Hong Kong Listing Rules or the Hong Kong Companies Ordinance, close its register of members or any part of such register relating to members holding shares of any class, for one or more periods. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

When the Company convenes a general meeting, distributes dividends, conducts liquidation, or engages in other activities that require the confirmation of shareholder identity, the Board of Directors or the convener of the general meeting shall determine the record date. Shareholders registered on the record date after the close of the market shall be the shareholders entitled to the relevant interests. Where laws, administrative regulations, departmental rules, normative documents of the place of incorporation and/or the place where the Company's shares are listed, and the stock exchange or regulatory authority of the place where the Company's shares are listed provide otherwise for the period of suspension of share transfer registration, such provisions shall prevail.

16 QUORUM FOR GENERAL MEETINGS AND CLASS MEETINGS

There are no provisions in the Articles of Association regarding the quorum for general meetings and class meetings.

17 RIGHTS OF MINORITY SHAREHOLDERS IN RELATION TO FRAUD OR OPPRESSION

Where a Director or a member of the senior management (other than a member of the Audit Committee) violates laws, administrative regulations, or the Articles of Association in the performance of his/her duties and causes loss to the Company, shareholder(s) holding, individually or in aggregate, 1% or more of the Company's shares for at least 180 consecutive days shall have the right to request the Audit Committee in writing to initiate legal proceedings in the People's Court. Where a member of the Audit Committee violates laws, administrative regulations, or the Articles of Association in the performance of his/her duties and causes loss to the Company, the aforementioned shareholder(s) may request the Board of Directors in writing to initiate legal proceedings in the People's Court. If the Audit Committee or the Board of Directors refuses to initiate legal proceedings after receiving the written request from the shareholders as provided in the preceding paragraph, or fails to initiate such proceedings within 30 days after receipt of the request, or in the event of an emergency where the failure to initiate legal proceedings immediately will cause irreparable harm to the Company's interests, the shareholders as provided in the preceding paragraph shall have the right to initiate legal proceedings directly in the People's Court in their own names for the benefit of the Company.

Where a Director or a member of the senior management violates laws, administrative regulations, or the Articles of Association and damages the interests of the shareholders, the shareholders may initiate legal proceedings in the People's Court.

Where a Director or a member of the senior management, in the performance of their duties, causes damage to others, the Company shall be liable for compensation; Where a Director or a member of the senior management acts with intent or gross negligence, they shall also be liable for compensation. If the laws, administrative regulations and relevant securities regulatory rules of the place of incorporation and/or the place where the Company's shares are listed provide otherwise with respect to the parties, time limits and procedures for litigation, such provisions shall prevail.

Where a shareholder of the Company abuses shareholder rights and causes loss to the Company or other shareholders, such shareholder shall be liable for compensation in accordance with the law. Where a shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damages the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts of the Company. Where a shareholder uses two or more companies under his/her control to commit the acts as provided in the preceding paragraph, each company shall be jointly and severally liable for the debts of any of such companies.

The Company shall not provide funds, goods, services or other assets to shareholders and de-facto controller(s) gratuitously; shall not provide funds, goods, services or other assets to shareholders or de-facto controller(s) on obviously unfair terms; shall not provide funds, goods, services or other assets to shareholders or de-facto controller(s) that are obviously insolvent; shall not provide guarantees for shareholders or de-facto controller(s) that are obviously insolvent, or provide guarantees for shareholders or de-facto controller(s) without legitimate cause; shall not give up its claims on its shareholders or de-facto controller(s) or assume the debts of a shareholder or de-facto controller(s) without legitimate cause. Transactions of the provision of funds, goods, services or other assets between the Company and its shareholders or de-facto controller(s) shall perform the procedures for consideration of relevant connected transactions by the Board and the general meeting in strict compliance with the decision-making system for connected transactions, and related directors and shareholders shall abstain from voting.

The controlling shareholders, actual controllers, Directors, and senior management of the Company shall not utilize their related relationships to damage the Company's interests. Any person who violates the aforementioned provision and causes loss to the Company shall be liable for compensation. The controlling shareholders and actual controllers of the Company shall owe fiduciary duties to the Company and the public shareholders of the Company. Controlling shareholders shall exercise the rights of an investor strictly in accordance with the law. Controlling shareholders shall not damage the legitimate rights and interests of the Company and the public shareholders of the Company through methods such as profit distribution, asset restructuring, external investment, fund misappropriation, loan guarantees, and connected transactions, and shall not utilize their controlling position to damage the interests of the Company and the public shareholders of the Company.

18 LIQUIDATION PROCEDURES

The Company shall be dissolved due to the following reasons:

(1) the term of operation as stipulated in the Articles of Association expires or other reasons for dissolution as stipulated in the Articles of Association occur;

(2) the general meeting resolves to dissolve the Company;

(3) dissolution is necessary due to the merger or division of the Company;

(4) the business license is revoked, or the Company is ordered to close down or is cancelled in accordance with the law;

(5) the Company experiences serious difficulties in operation and management, and its continued existence will cause significant losses to the interests of shareholders, which cannot be resolved through other means, and shareholders holding 10% or more of the total voting rights of all shareholders of the Company request the People's Court to dissolve the Company.

Upon the occurrence of the reasons for dissolution stipulated above, the Company shall, within 10 days, publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System.

Where the Company is under the circumstances set out in items (1) or (2) above and has not yet distributed its assets to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the general meeting. Such matter shall be passed by two-thirds or more of the voting rights held by the shareholders attending the general meeting.

Where the Company is dissolved under the circumstances set out in items (1), (2), (4), or (5) above, liquidation shall be carried out. The Directors shall be the liquidation obligors of the Company and shall form a liquidation committee to carry out liquidation within 15 days from the date of the occurrence of the reasons for dissolution. The liquidation committee shall consist of Directors, unless otherwise provided by the Articles of Association or resolved by the general meeting to appoint other persons. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause loss to the Company or its creditors, they shall be liable for compensation.

Where a liquidation committee is not formed within the time limit to carry out liquidation, or where a liquidation committee is formed but fails to carry out liquidation, any interested party may apply to the People's Court to designate relevant persons to form a liquidation committee to carry out liquidation.

The liquidation committee shall notify creditors within 10 days of its establishment and make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days of receiving the notice, or within 45 days of the announcement if no notice was received. Where the securities regulatory rules of the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

After liquidating the Company's assets and preparing the balance sheet and inventory of assets, if the liquidation committee discovers that the Company's assets are insufficient to settle its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit it to the general meeting or the People's Court for confirmation, and then submit it to the company registration authority to apply for cancellation of the Company's registration and announce the termination of the Company.

19 OTHER IMPORTANT PROVISIONS OF THE COMPANY OR SHAREHOLDERS

(1) General Provisions

The Company is a joint stock limited company with perpetual existence.

The total assets of the Company are divided into shares of equal value. The liability of a shareholder to the Company is limited to the shares subscribed by him/her, and the Company is liable for its debts to the extent of all its assets.

From the date on which the Articles of Association become effective, they shall constitute a document regulating the organization and activities of the Company, and the rights and obligations between the Company and its shareholders and among the shareholders themselves, and shall be legally binding on the Company, its shareholders, Directors, and senior management. Pursuant to the Articles of Association, a shareholder may initiate legal proceedings against other shareholders, a shareholder may initiate legal proceedings against the Directors, general manager, and other senior management of the Company, a shareholder may initiate legal proceedings against the Company, and the Company may initiate legal proceedings against shareholders, Directors, general manager, and other senior management.

(2) Increase and Reduction of Capital

Based on its operation and development needs, the Company may increase its capital in accordance with the provisions of laws and regulations by way of the following methods, subject to separate resolutions passed at the general meeting:

i public offering of shares;

ii non-public offering of shares;

iii distribution of bonus shares to existing shareholders;

iv capitalization of capital reserve funds;

v such other methods as are prescribed by the relevant provisions of the laws, administrative regulations and securities regulatory rules of the place of incorporation and/or the place where the Company's shares are listed, and other methods approved by the competent government authorities.

The increase of registered capital by the Company shall, after being approved in accordance with the provisions of the Articles of Association, be carried out in accordance with the procedures prescribed by the relevant laws, administrative regulations, the Articles of Association, the Hong Kong Listing Rules and other applicable provisions of the place of incorporation and/or the place where the Company's shares are listed.

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. Following the capital reduction, the Company's registered capital shall not be less than the statutory minimum amount.

The reduction of the registered capital of the Company shall be carried out in accordance with the procedures stipulated by the PRC Company Law, the Hong Kong Listing Rules, and other relevant laws and regulations of the place of incorporation and/or the place where the Company's shares are listed, as well as these Articles of Association.

(3) Shareholders

Shareholders of the Company shall enjoy the following rights:

i to receive dividends and other forms of profit distribution in proportion to the number of shares held by them;

ii to legally request to convene, preside over, attend, or appoint a proxy to attend general meetings and speak thereat, and to exercise corresponding voting rights (except where they are required to abstain from voting on any particular matter in accordance with the securities regulatory rules of the place where the Company's shares are listed);

iii to supervise the operations of the Company, and to make suggestions or inquiries;

iv to transfer, gift, or pledge their shares in accordance with the provisions of laws, administrative regulations, and the Articles of Association of the place of incorporation and/or the place where the Company's shares are listed;

v to inspect and copy the Articles of Association, the register of shareholders (including the register of H-share shareholders), minutes of general meetings, resolutions of the Board of Directors, and financial and accounting reports (provided that, in respect of the register of H-share shareholders, the Company may, pursuant to provisions equivalent to section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), suspend the registration of shareholders).

Shareholders holding, individually or in aggregate, 3% or more of the Company's shares for at least 180 consecutive days may request to inspect the Company's accounting books and accounting vouchers;

vi to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held by them upon the termination or liquidation of the Company;

vii to request the Company to acquire their shares if they object to a resolution on the merger or division of the Company passed at a general meeting;

viii other rights as prescribed by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

i to abide by laws, administrative regulations of the place of incorporation and the place where the Company's shares are listed, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association and other relevant provisions;

ii to pay for the shares subscribed in accordance with the method of subscription;

iii not to withdraw their share capital except as provided by laws and regulations and securities regulatory rules of the place of incorporation and the place where the Company's shares are listed;

iv not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the legitimate interests of the Company's creditors;

v other obligations as prescribed by laws, administrative regulations and securities regulatory rules of the place of incorporation and the place where the Company's shares are listed, and the Articles of Association.

(4) Board of Directors

The Board of Directors shall exercise the following powers and duties:

i to convene general meetings and report its work to the general meeting;

ii to implement the resolutions of the general meeting;

iii to decide on the business plans and investment schemes of the Company;

to decide on the Company's annual financial budgets and final accounts;

iv to formulate the profit distribution plans and plans for making up losses of the Company;

v to formulate plans for the increase or reduction of the registered capital, the issuance of bonds or other securities, or the listing of the Company;

vi to formulate plans for major acquisitions, the purchase of shares of the Company, or the merger, division, dissolution, or change of corporate form of the Company;

vii to decide on matters Requiring a decision by the Board of Directors or falling within the scope of authorisation granted by the general meeting, such as the Company's external investment, acquisition and disposal of assets, charge of assets, external

guarantee, entrusted wealth management, related (connected) transactions, and external donations within the scope of authority granted by the general meeting or in accordance with the Hong Kong Listing Rules and the provisions of the other securities regulatory rules of the place where the Company's shares are listed;

viii to decide on the setup of the Company's internal management structure;

ix to decide on the appointment or dismissal of the general manager of the Company and its remuneration, incentives and disciplinary matters; and based on the nomination of the general manager, to decide on the appointment or dismissal of the deputy general managers, the financial officer, the secretary to the Board, and other senior management of the Company, and their remuneration, incentives and disciplinary matters;

x to formulate the basic management system of the Company;

xi to formulate plans for amendments to the Articles of Association of the Company;

xii to propose to the general meeting the appointment or replacement of the accounting firm serving as the auditor of the Company;

to manage the Company's information disclosure matters

xiii to hear the work reports of the general manager of the Company and review the work of the general manager;

xiv other powers and duties conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

xv matters falls outside the scope of the authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

(5) Duties of Directors

Directors shall comply with laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association and the relevant provisions of the place of incorporation and the place where the Company's shares are listed, take measures to avoid conflicts between their own interests and the interests of the Company, shall not take advantage of their authority to seek improper benefits, and shall owe the following fiduciary duties of loyalty to the Company:

i not to embezzle the Company's property or misappropriate the Company's funds;

ii not to deposit the Company's funds in accounts opened in their own names or in the names of other individuals;

iii not to utilize their authority to engage in bribery or accept other illegal income;

iv not to directly or indirectly enter into a contract or conduct a transaction with the Company without reporting to the Board of Directors and having it passed by a resolution of the Board of Directors in accordance with the provisions of the Articles of Association;

v not to take advantage of their positions to seek business opportunities belonging to the Company for themselves or others, unless reported to the Board of Directors or the general meeting and approved by a resolution of the Board of Directors, or where the Company is unable to utilize such business opportunities in accordance with laws, administrative regulations, or the Articles of Association;

vi not to operate, for themselves or for others, businesses similar to those of the Company without reporting to the Board of Directors or the general meeting and having it passed by a resolution of the Board of Directors;

vii not to accept commissions from transactions between others and the Company for their own benefit;

viii not to disclose Company secrets without authorization;

not take advantage of connected relationships to prejudice the interests of the Company; in violation of the provisions of these Articles of Association and without the consent of the shareholders' meeting or the Board of Directors, lend the Company's funds to others or provide security with the Company's assets for others

ix other duties of loyalty stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a Director in violation of the aforementioned provisions shall belong to the Company; where loss is caused to the Company, he/she shall be liable for compensation.

The provisions of item iv. above shall apply to contracts or transactions entered into with the Company by the close relatives of the Directors or senior management, enterprises directly or indirectly controlled by the Directors, senior management, or their close relatives, and other parties having related (connected) relationships with the Directors and senior management.

Directors shall comply with laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association. In performing their duties, they shall exercise the reasonable care that an administrator should normally exercise in the best interests of the Company, and shall owe the following fiduciary duties of diligence to the Company:

i to exercise the rights conferred by the Company cautiously, earnestly, and diligently to ensure that the Company's business practices comply with the requirements of national laws, administrative regulations, and various national economic policies, and that its business activities do not exceed the scope of business stipulated in the business license;

ii to treat all shareholders fairly;

iii to keep informed of the business operation and management status of the Company in a timely manner;

iv to sign written confirmation opinions on the periodic reports of the Company, guarantee that the information disclosed by the Company is true, accurate and complete, and shall not entrust others to sign on their behalf, nor refuse to sign for any reason;

v to truthfully provide relevant information and data to the Audit Committee and not to obstruct the Audit Committee from exercising its authority;

vi other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Company shall establish a management system for the departure of Directors, specifying the safeguard measures for accountability and recourse of unfulfilled public commitments and other outstanding matters. Upon the effectiveness of a Director's resignation or the expiration of his/her term of office, he/she shall complete all handover procedures with

the Board of Directors. The duty of loyalty owed by him/her to the Company and the shareholders shall not be automatically released upon the expiration of his/her term, and shall remain effective within two years after the effectiveness of his/her resignation or the expiration of his/her term. The liability of a Director in respect of the performance of his/her duties during his/her term of office shall not be released or terminated due to his/her departure from office.

A Director's obligation to maintain the confidentiality of the Company's business secrets shall remain effective after the effectiveness of his/her resignation or the expiration of his/her term until such secrets become public information; the duration of other obligations shall be determined in accordance with the principle of fairness.

Directors may resign before the expiration of their term of office. A Director's resignation shall be submitted to the Board of Directors in writing. The Board of Directors shall disclose the relevant information as soon as possible but no later than 2 days.

Except under the circumstances set out below, the resignation of a Director shall take effect upon the delivery of the written resignation report to the Board of Directors:

(1) where the resignation of the Director would result in the number of members of the Board of Directors falling below the statutory minimum;

(2) where the resignation of an independent non-executive Director would result in the proportion of independent non-executive Directors on the Board of Directors or its special committees failing to comply with the requirements of laws, regulations or the Company's Articles of Association, or where there would be no accounting professional among the independent non-executive Directors. In the circumstances set out above, the resignation report shall not take effect until the successor Director has filled the vacancy arising from such resignation. Prior to the resignation report taking effect, the Director intending to resign shall continue to perform his or her duties in accordance with relevant laws, administrative regulations and the Company's Articles of Association. Where the circumstances set out in items (2) above occur, the Company shall complete the election of a replacement within 60 days.

A Director who violates laws, administrative regulations, departmental rules, or the Articles of Association in the performance of his/her duties and causes loss to the Company shall be liable for compensation. A Director whose term of office has not expired shall be liable for compensation for any loss caused to the Company due to his/her unauthorized departure from office.

Where a Director causes damage to others in the performance of his/her duties, the Company shall be liable for compensation; where the Director acted with intent or gross negligence, he/she shall also be liable for compensation.

(6) Independent Non-executive Directors

The Company shall have at least three independent non-executive Directors. Independent non-executive Directors shall comprise at least one-third of the Board of Directors. At least one of the Company's independent non-executive Directors shall possess appropriate professional qualifications in accounting or related financial management. Independent non-executive Directors must be independent and shall not have any relationship with the Company and its substantial shareholders that might interfere with the exercise of their independent and objective judgment. Independent non-executive Directors shall have sufficient business or professional experience to discharge their duties, faithfully perform their functions, safeguard the interests of the Company, and in particular, pay attention to protecting the lawful rights and interests of public shareholders from being prejudiced, so as to ensure that the interests of all shareholders are adequately represented. At least one independent non-executive Director

shall be ordinarily resident in Hong Kong. The qualifications, nomination and election procedures, term of office, resignation, powers and other related matters concerning independent non-executive Directors shall be governed by the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed. Save as otherwise provided in these Articles of Association, the provisions of these Articles of Association relating to the qualifications and duties of Directors shall apply to independent non-executive Directors. Matters relating to independent non-executive Directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, relevant regulatory authorities and stock exchanges, and shall be specifically provided for in the Company's working system for independent non-executive Directors.

(7) Audit Committee

The Board of Directors of the Company shall establish an Audit Committee to exercise the powers and duties of the Board of Supervisors as prescribed by the PRC Company Law. The Audit Committee shall have three or more members. All members shall be non-executive Directors. A majority of the members shall not hold any other position in the Company other than as Directors, and shall not have any relationship with the Company that might affect their independent and objective judgment. At least one member shall be an independent non-executive Director who possesses the appropriate professional qualifications as required under the Hong Kong Listing Rules, or possesses appropriate accounting or related financial management expertise, and such independent non-executive Director shall serve as the chairman of the audit committee. The chairman of each special committee shall be appointed and removed by the Board of Directors.

Meetings of the Audit Committee are classified into regular meetings and extraordinary meetings. The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. A meeting of the Audit Committee may only be held when two-thirds or more of its members are present.

Resolutions of the Audit Committee shall be passed by more than half of all its members.

The voting for resolutions of the Audit Committee shall be on a one-person-one-vote basis.

Minutes shall be kept for the resolutions of the Audit Committee in accordance with relevant regulations, and the members of the Audit Committee attending the meeting shall sign the minutes.

The Board Audit Committee shall formulate relevant rules of procedure to clarify the consideration methods and voting procedures of the Board Audit Committee, so as to ensure the work efficiency and scientific decision-making of the Board Audit Committee.

(8) General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

i to be in charge of the Company's production, operation, and management, to organize the implementation of the resolutions of the Board of Directors, and to report his/her work to the Board of Directors;

ii to organize the implementation of the Company's annual business plans and investment schemes;

iii to formulate plans for the setup of the Company's internal management structure;

iv to draft the basic management system of the Company;

v to formulate the specific rules and regulations of the Company;

vi to propose to the Board of Directors the appointment or dismissal of the deputy general managers, the financial officer, the secretary to the Board, and other senior management of the Company;

vii to decide on the appointment or dismissal of responsible management personnel other than those required to be appointed or dismissed by the Board of Directors;

viii to draft the systems of wages, benefits, incentives, and disciplinary matters of the Company's employees, and to decide on the employment and dismissal of the Company's employees;

ix to sign daily administrative and business documents, and to sign various material contracts and agreements on behalf of the Company in accordance with the authorization of the Board of Directors;

x to handle external affairs and sign economic contracts including investment, cooperative operation, joint venture operation, and borrowing on behalf of the Company as authorized by the Board of Directors;

xi other powers and duties conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

(9) Reserve Funds

When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits to the statutory reserve fund of the Company. No further allocation is required if the cumulative amount of the statutory reserve fund has reached 50% or more of the registered capital of the Company.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous years, the profits of the current year shall be used to make up for such losses before making allocation to the statutory reserve fund in accordance with the preceding paragraph.

After the Company has allocated its after-tax profits to the statutory reserve fund, it may also allocate its after-tax profits to the discretionary reserve fund upon a resolution of the general meeting.

The remaining after-tax profits after the Company has made up for its losses and made allocations to the reserve funds shall be distributed in proportion to the shareholdings of the shareholders, unless otherwise provided in the Articles of Association.

If the general meeting distributes profits to shareholders in violation of the preceding paragraph before the Company makes up for its losses and makes allocations to the statutory reserve fund, the shareholders shall refund to the Company the profits distributed in violation of the provisions. Where losses are caused to the Company, the shareholders and the responsible Directors, the Audit Committee, and members of senior management shall be liable for compensation.

The reserve funds of the Company shall be used to make up for the Company's losses, expand the Company's production and operations, or be capitalized to increase the Company's registered capital.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company and registration of our Company under Part 16 of the Companies Ordinance

Our Company was established as a limited liability company in the PRC on 25 February 2025 and was converted into a joint stock company with limited liability on 9 June 2026 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB121,773,015 divided into 121,773,015 Shares with a nominal value of RMB1.00 each.

Our Company has established a principal place of business in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 13 July 2026. In connection with such registration, Ms. Wong Wing Yee has been appointed as the authorized representative of our Company. The address for service of process on our Company in Hong Kong is Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V — Summary of the Articles of Association."

2. Changes in the share capital of our Company

Save as disclosed in the section headed "History, Development and Corporate Structure", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

3. Changes in share capital of our subsidiary

Our Company's subsidiary is referred to in the Accountant's Report, the text of which is set out in Appendix I to this Document.

Save as disclosed in the Accountant's Report and in the section headed "History, Development and Corporate Structure" in this Document, there has been no other change to the share capital of any of the subsidiary of our Company within two years immediately prior to the date of this Document.

4. Written resolutions of our Shareholders passed on 9 July 2026

Pursuant to a general meeting of our Company held on 9 July 2026, the following resolutions, among others, were passed by our Shareholders:

(a) the [REDACTED] by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be [REDACTED] on the Hong Kong Stock Exchange;

(b) that the number of H Shares to be [REDACTED] shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED] (without taking into account the H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares [REDACTED] pursuant to the [REDACTED];

(c) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the [REDACTED] of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by our Company or our subsidiary within the two years preceding the date of this Document and are or may be material:

(a) a share subscription agreement dated 25 April 2025 entered into among AV China Holdings PCC Limited, Janbon Cayman, Mr. Chen and other companies within our Group, pursuant to which AV China Holdings PCC Limited agreed to subscribe for 6,076,473 shares of Janbon Cayman;

(b) a share subscription agreement dated 25 April 2025 entered into among Capital Ally Holdings Limited, Janbon Cayman, Mr. Chen and other companies within our Group, pursuant to which Capital Ally Holdings Limited agreed to subscribe for 5,966,879 shares of Janbon Cayman;

(c) a share subscription agreement dated 25 April 2025 entered into among Emerald Investment Limited, Janbon Cayman, Mr. Chen and other companies within our Group, pursuant to which Emerald Investment Limited agreed to subscribe for 6,076,473 shares of Janbon Cayman;

(d) a share subscription agreement dated 25 April 2025 entered into among Prospect Investment (BVI) Limited, Janbon Cayman, Mr. Chen and other companies within our Group, pursuant to which Prospect Investment (BVI) Limited agreed to subscribe for 3,653,190 shares of Janbon Cayman;

(e) a shareholders' agreement dated 25 April 2025 entered into among AV China Holdings PCC Limited, Capital Ally Holdings Limited, Emerald Investment Limited and Prospect Investment (BVI) Limited, Janbon Cayman, Mr. Chen and other companies with our Group;

(f) Equity transfer agreement (股權轉讓協議) entered into between our Company and Mr. Chen, Jinan Weilanwan and Xinchen Huizhi on 2 April 2025, pursuant to which Mr. Chen, Jinan Weilanwan and Xinchen Huizhi agreed to transfer and our Company agreed to acquire the entire equity interest in Janbon Colloidal Materials;

(g) a share transfer agreement dated 6 July 2026 entered into between Janbon HK and Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited, whereby Janbon HK agreed to transfer the entire equity interest in our Company to Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited;

(h) a shareholders' agreement dated 6 July 2026 entered into among our Company, Janbon Colloidal Materials, Mr. Chen, Jinan Weilanwan, Xinchen Huizhi and Emerald Investment Limited, AV China Holdings PCC Limited, Capital Ally Holdings Limited and Prospect Investment (BVI) Limited; and

(k) the [REDACTED].

2. Intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks in the PRC which we consider to be or may be material to our business:

Trademark	Owner	Classes	Registration Number	Duration of Validity
	Janbon Colloidal Materials	2	23267661	14 March 2018– 13 March 2028
	Janbon Colloidal Materials	9	13772008	21 August 2025– 20 August 2035
	Janbon Colloidal Materials	1	13771771	14 June 2025– 13 June 2035
JBAM	Janbon Colloidal Materials	1	85046741	21 October 2025– 20 October 2035
JBAM	Janbon Colloidal Materials	2	85040688	7 December 2025– 6 December 2035
JBAM	Janbon Colloidal Materials	6	85027647	21 October 2025– 20 October 2035
JBAM	Janbon Colloidal Materials	9	85052252	21 October 2025– 20 October 2035
JBAM	Janbon Colloidal Materials	14	85046537	7 December 2025– 6 December 2035

As of the Latest Practicable Date, our Group had registered the following trademarks in Hong Kong which we consider to be or may be material to our business:

Trademark	Owner	Classes	Registration Number	Duration of Validity
JBAM 建邦高科	Janbon Colloidal Materials	1, 2 and 9	306821488	27 February 2025– 26 February 2035
JBAM 建邦高科	Janbon Colloidal Materials	1, 2 and 9	306821488	27 February 2025– 26 February 2035
JBAM 建邦高科	Janbon Colloidal Materials	1, 2 and 9	306821488	27 February 2025– 26 February 2035
JBAM 建邦高科	Janbon Colloidal Materials	1, 2 and 9	306821488	27 February 2025– 26 February 2035

(b) Domain names

As at the Latest Practicable Date, our Group had registered and maintained the following domain names which we consider to be or may be material to our Group's business:

Domain name	Registration date	Expiry date	Registrant
sdjbsp.com	17 August 2017	17 August 2027	Janbon Colloidal Materials
sdjbam.com	21 April 2025	21 April 2035	Janbon Colloidal Materials

(c) Patents

As of the Latest Practicable Date, our Group had registered as the owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent Name	Patent type	Patentee	Place of registration	Patent number	Grant date	Expiry date
1.	A post-treatment method for silver powder composite modification (一種銀粉複合改性後處理方法)	Invention patent	Janbon Colloidal Materials	PRC	2024117333829	29 July 2025	28 November 2044
2.	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 patent	Janbon Colloidal Materials	PRC	2022106183180	9 May 2023	31 May 2042
3.	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 patent	Janbon Colloidal Materials	PRC	2022106172082	21 March 2023	31 May 2042
4.	A Globular Polycrystalline Silver Powder with Grain Orientation Focus and Its Production Method (一種晶粒定向聚焦的全球形多晶銀粉及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2022106172059	3 March 2023	31 May 2042
5.	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 patent	Janbon Colloidal Materials	PRC	2022106183123	28 February 2023	31 May 2042
6.	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 patent	Janbon Colloidal Materials	PRC	2021107745551	26 August 2022	7 July 2041

No.	Patent Name	Patent type	Patentee	Place of registration	Patent number	Grant date	Expiry date
7.	A Large Particle Silver Powder with Branched Structure and its Production Method and Application (一種具有支棱結構的大顆粒銀粉及其製備方法和應用)	Invention patent	Janbon Colloidal Materials	PRC	2021107755036	12 August 2022	7 July 2041
8.	Rod-shaped Silver Powder and its Production Method (一種棒狀銀粉及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2021107755055	14 October 2022	7 July 2041
9.	A Nanoscale Silver Wire and its Production Method (一種納米銀線及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2021107754989	10 March 2023	7 July 2041
10.	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 patent	Janbon Colloidal Materials	PRC	202110819190X	2 August 2022	19 July 2041
11.	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 patent	Janbon Colloidal Materials	PRC	2019107450100	28 June 2022	12 August 2039
12.	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 patent	Janbon Colloidal Materials	PRC	2019107850349	14 June 2022	22 August 2039
13.	A Method for Producing Size-Controlled Nanoscale Silver Powder (一種粒徑可控的納米銀粉的製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2020108483301	22 February 2022	20 August 2040
14.	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 patent	Janbon Colloidal Materials	PRC	2020108483299	14 September 2021	20 August 2040
15.	A Front-side Silver Paste for Crystalline Silicon Solar Cells Containing Nano Organic Silver and its Preparation Method (含納米有機銀的晶體硅太陽能電池正面銀漿及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2018102659312	10 December 2019	29 March 2038

No.	Patent Name	Patent type	Patentee	Place of registration	Patent number	Grant date	Expiry date
16.	A Special Carrier for Front-side Silver Paste of Solar Cells Containing Thermotropic Gel and its Preparation Method (含有熱致凝膠的太陽能電池正面銀漿專用載體及製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2018102648958	13 November 2020	28 March 2038
17.	Silver Powder for Silver Paste of Crystalline Silicon Solar PERC Cells and its Preparation Method (晶體硅太陽能PERC電池銀漿的銀粉及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2021106947306	15 March 2022	22 June 2041
18.	A Surface Treatment Solution and Addition Method in Silver Powder Preparation Process (一種銀粉製備過程中表面處理液及添加方式)	Invention patent	Janbon Colloidal Materials	PRC	2020108717431	25 March 2022	25 August 2040
19.	A High-dispersibility Silver Powder for Preparing Front-side Silver Paste of Solar Cells and its Preparation Method (太陽能電池正面銀漿製備用高分散性銀粉及其製備方法)	Invention patent	Janbon Colloidal Materials	PRC	2021106947293	22 March 2022	22 June 2041
20.	A Method for Producing Silver-coated Copper Powder (一種銀包銅粉的製備方法)	Invention patent	Janbon Colloidal Materials	PRC	202411733569.9	7 November 2025	29 November 2044

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDER

1. Disclosure of Interest

Save as disclosed below, immediately following completion of the [REDACTED] (without taking into account the H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), so far as our Directors are aware, none of our Directors or chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(a) Interest in Shares of our Company

Name of Director/ chief executive	Nature of interests	Number of Shares	Approximate % of interest in our Company
Mr. Chen	Beneficial Owner	[REDACTED]	[REDACTED]%

Note:

1. All interests stated are long positions.

2. Interests and short positions of substantial shareholder in the Shares or underlying Shares of our Company

Save as disclosed in the section headed "Substantial Shareholder" in this Document, up to the Latest Practicable Date, our Directors were not aware of any other person, not being a Director or chief executive of our Company, who had an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the [REDACTED], would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

3. Particulars of Directors' service contracts and letters of appointment

Each of our executive Directors, namely, Mr. Chen, Mr. Zhou Yong and Ms. Meng Haiqing and our non-executive Director, namely, Mr. Zhang Wei, has entered into a service agreement with our Company for an initial term of three years commencing from the [REDACTED]. During the initial term, either party to the service agreement shall be entitled to terminate the service agreement without compensation by serving not less than three months' written notice upon the other side.

Each of our independent non-executive Directors, namely, Dr. Cui Haitao, Ms. Xu Qian and Mr. Chan Ngai Fan has entered into a letter of appointment with our Company for an initial term of three years commencing from the [REDACTED]. During the initial term, either party shall be entitled to terminate the term without compensation by serving not less than three months' written notice upon the other side.

Each of our Directors is entitled to the respective basic salary/service fee set out below (subject to annual adjustment after consultation with the remuneration committee at the discretion of our Directors, and taking no account of the discretionary bonus they may be entitled to).

Our Company shall reimburse our Directors, upon production of valid receipts and/or vouchers if requested, all necessary and reasonable expenses (including travel, hotel, meals and other out-of-pocket expenses) properly incurred by our Directors in the performance of their duties under the service contracts or letters of appointment.

The current basic annual salaries/service fees (excluding discretionary bonus) of each of our Directors are as follows:

Name	Annual basic salary/service fee
Executive Directors	
Mr. Chen Zichun (陳子淳先生)	RMB1,877,809
Mr. Zhou Yong (周勇先生)	RMB1,673,169
Ms. Meng Haiqing (孟海清女士)	RMB1,099,103
Non-executive Director	
Mr. Zhang Wei (張偉先生)	Nil
Independent non-executive Directors	
Dr. Cui Haitao (崔海濤博士)	RMB[208,553]
Ms. Xu Qian (徐茜女士)	RMB[208,553]
Mr. Chan Ngai Fan (陳毅奮先生)	RMB[208,553]

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiary other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

4. Directors' remuneration

Our Company's policies concerning remuneration of executive Directors are (i) the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, workload and the time devoted to our Company; and (ii) non-cash benefits may be provided to our Directors under their remuneration package.

Our Directors receive compensation in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind (if applicable).

For the three years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the aggregate amount of salaries and other allowances, discretionary bonus, retirement scheme contributions, other social welfare and benefits in kind (if applicable) paid by our Group to our Directors amounted to approximately RMB2.27 million, RMB2.64 million, RMB4.27 million and RMB1.82 million, respectively. For further details in respect of our Directors' remuneration, please refer to note 8 to the Accountants' Report, the text of which is set out in Appendix I to this Document.

During the Track Record Period, no remuneration was paid by our Group to, or receivable by, our Directors (i) as an inducement to join or upon joining our Group or (ii) for loss of any office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors had waived any remuneration during the Track Record Period.

Save as disclosed in this Document, for the three years ended 31 December 2025 and the five months ended 31 May 2026, no other emoluments have been paid or are payable by our Company to our Directors. Under the arrangements currently in force within our Group, our Company estimates that the aggregate remuneration (including fees, salaries, allowances, pension-defined contribution plans and other benefits in kind where applicable) of our Directors (including independent non-executive Directors in their capacity as Directors), excluding any discretionary benefits or bonuses or other fringe benefits, for the year ending 31 December 2026 will be approximately RMB4.76 million.

Save as disclosed in Appendix I to this Document, none of our Directors received any other remuneration or benefits in kind from our Group during the Track Record Period.

5. Related party transactions

Save as disclosed in this Document and in note 30 to the Accountants' Report, the text of which is set out in Appendix I to this Document, during the three years immediately preceding the date of this Document, we had not engaged in any other material related party transactions.

6. Disclaimers

Save as aforesaid and saved as disclosed elsewhere in this Document:

(a) none of our Directors or the chief executive of our Company, as at the Latest Practicable Date, has any interest or short position in any Share, underlying Share and debenture of our Company or any of its associated corporations (within the meaning of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange;

(b) save in connection with the [REDACTED], none of the experts referred to in the paragraph headed "F. Other information — 12. Consents of experts" of this appendix has any shareholding in any member of our Group or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

(c) none of the experts referred to in the paragraph headed "F. Other information — 12. Consents of experts" of this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) taking no account of Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], have any interest in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of our Group;

(e) none of our Directors has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by or leased to any member of our Group;

(f) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole; and

(g) our Directors confirm that none of our Directors, their respective close associates or Shareholders who are interested in 5% or more of the issued share capital of our Company have any interest in the five largest customers or the five largest suppliers of our Group in each year during the Track Record Period.

D. 2023 EMPLOYEE SHAREHOLDING INCENTIVE PLAN

We had previously adopted the 2023 Employee Shareholding Incentive Plan through the establishment of our employee shareholding platform, Jinan Weilanwan on 2 March 2023 and by way of entry into the Jinan Weilanwan Limited Partnership Agreement. Through the Reorganisation, the interests held by the 32 employees of our Group in Jinan Weilanwan were exchanged for interests held by them in Wonder Particle or Silver Ocean. Between April and July 2026, we underwent unwinding of the offshore structure and the interests held by the 32 employees of our Group in Wonder Particle or Silver Ocean were again held through Jinan Weilanwan. A summary of the principal terms of the 2023 Employee Shareholding Incentive Plan are set out further below.

Given that the interests held by the 32 employees of our Group in Janbon Colloidal Materials pursuant to the 2023 Employee Shareholding Incentive Plan are now held through their existing interests in Jinan Weilanwan, and the Shares held by Jinan Weilanwan have already been issued, there will not be any dilution effect to the issued Shares upon the vesting of interests (which shall take the form of release from certain lock-up restrictions) under the Employee Shareholding Incentive Plan.

1. Objectives of our 2023 Employee Shareholding Incentive Plan

The purpose of the 2023 Employee Shareholding Incentive Plan is to incentivise certain employees of our Group and retain them for continuing service for the development of our Group.

2. ESIP Interest

The participants of the 2023 Employee Shareholding Incentive Plan are the 32 employees of our Group who subscribed for the registered capital in Jinan Weilanwan (the "ESIP Interest"), which in turn hold shares in our Company. Through holding such ESIP Interest, the 32 employees indirectly obtained interests in the underlying Shares of our Company pursuant to the 2023 Employee Shareholding Incentive Plan (the "Underlying ESIP Shares").

3. Unlocking arrangement

The ESIP Interest and Underlying ESIP Shares held by each employee are subject to certain lock-up restrictions (the "ESIP Lock-up"). These include restrictions on the transfer of such ESIP Interest held by them to any third parties, the creation of encumbrances on such ESIP Interest, the use of such ESIP Interest for the purposes of repayment of debt, and such other customary restrictions. The date on which such lock-up restrictions shall cease to apply to such relevant portions of the ESIP Interest held by each employee and corresponding Underlying ESIP Shares is four years from 31 March 2023 or two years (calculated on the basis of 365 natural days) from the [REDACTED], whichever is longer (the "Unlocking Date").

4. Termination of participation in the 2023 Employee Shareholding Incentive Plan on or before the Unlocking Date

In the event of any of the following, an employee may become obliged to transfer all the ESIP Interest held by them to the actual controller of our Company, the general partner of Jinan Weilanwan or other designated third party:

(i) violation of the law with criminal liability imposed during the term of office;

(ii) serious violation of laws and regulations, the articles of association, the rules and regulations during the term of office, resulting in serious damage to the interests of our Group;

(iii) violation of any non-competition obligations by such employee under the terms of his/her employment with our Group; or

(iv) resignation of such employee through no fault of his/her own.

Where an employee is obliged to transfer all of its ESIP Interest due to any of the circumstances as set out in sub-paragraphs (i) to (iii) above, the transfer price for such ESIP Interest shall be the capital contributions corresponding to such ESIP Interest held at such relevant time, subtracted by all proceeds obtained by such employee derived from their holding of such ESIP Interest (including, but not limited to, dividends and proceeds from the sale of any ESIP Interest, if any) since the commencement of their participation in the 2023 Employee Shareholding Incentive Plan.

Where an employee is obliged to transfer all of its ESIP Interest due to the circumstance as set out in sub-paragraph (iv) above, the transfer price for such ESIP Interest shall be the capital contributions corresponding to such ESIP Interest held at such relevant time plus the interest calculated at the prime rate of bank deposits for the same period from the date of their actual contribution to the date of their resignation.

5. Rights of the employees to exit from the 2023 Employee Shareholding Incentive Plan after the Unlocking Date

Once the ESIP Interest is no longer subject to the ESIP Lock-up (the "Unlocked ESIP Interest"), the corresponding Underlying ESIP Share will also be considered vested ("Unlocked Underlying ESIP Shares"). Any employee may choose to dispose of such amount of the Unlocked ESIP Interest and the corresponding Unlocked Underlying ESIP Shares by giving instructions to Jinan Weilanwan.

Upon receipt of such instruction, and in accordance with the procedures under the terms of the 2023 Employee Shareholding Incentive Plan, all applicable law, rules and regulations, Jinan Weilanwan will sell the relevant amount of the Unlocked Underlying ESIP Shares at the prevailing market price and remit the proceeds to the relevant employee.

6. Details of ESIP Shares and Underlying ESIP Shares held by the employees

As of the Latest Practicable Date, pursuant to the 2023 Employee Shareholding Incentive Plan, the aggregate number of Underlying ESIP Shares underlying the ESIP Shares granted to the employees amounted to 6,443,600 Shares, representing approximately 5.29% of our Company's total issued share capital immediately prior to the [REDACTED].

Details of the ESIP Interest and Underlying ESIP Shares held by the employees who are Directors and senior management members of our Group pursuant to the 2023 Employee Shareholding Incentive Plan as of the Latest Practicable Date are set out below:

Name of Employee	Roles with our Company	ESIP Interest held in Jinan Weilanwan (approximate) (RMB)	Percentage of Underlying ESIP Shares associated with ESIP Interest held (approximate)
Mr. Zhou Yong	Executive Director and General Manager	1,560,000	1.52%
Ms. Meng Haiqing	Executive Director and Chief Financial Officer	10,000	0.01%
Mr. Chen Bo	Deputy General Manager	2,600,000	2.53%
Mr. Liu Xiaoyong	Deputy General Manager	265,200	0.26%
Mr. Tian Kui	Chief Sales Officer	78,000	0.08%
Mr. Zhao Qingliang	Business Director	58,500	0.06%
Mr. Luo Weiwei	Chief Production Officer	136,500	0.13%

As a result of the arrangement set out above, save and except for the occurrence of any events described in "4. Termination of participation in the 2023 Employee Shareholding Incentive Plan on or before the Unlocking Date" above, whereby an employee may become obliged to transfer all the ESIP Interest held by them to the actual controller of our Company, the general partner of Jinan Weilanwan, or such other third party designated thereby, we do not expect any change to the ESIP Interest held in Jinan Weilanwan by the employees prior to the date falling one calendar year immediately after the [REDACTED]. Even if such events occur, the number of our Shares held by Jinan Weilanwan will not be affected during the first year from the [REDACTED]. As of the Latest Practicable Date, no events described in "4. Termination of participation in the 2023 Employee Shareholding Incentive Plan on or before the Unlocking Date" above have occurred.

The Board currently has no plan to approve any other core employees of the Company or its subsidiary to be entitled to the Underlying ESIP Shares under the 2023 Employee Shareholding Incentive Plan prior to the date falling one calendar year immediately after the [REDACTED]. Other than the 2023 Employee Shareholding Incentive Plan, our Company currently has no intention to adopt any additional employee incentive scheme or share award scheme during the year ending 31 December 2026. In addition, our Company undertakes to comply with Rule 10.08 of the Listing Rules as further set out in section headed "[REDACTED]" in this Document.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group.

2. Interests in competing business

None of our Directors, our Controlling Shareholder and their respective close associates of each are interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

3. Litigation

As at the Latest Practicable Date, neither our Company or any of our subsidiary was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known by our Directors to be pending or threatened by or against any member of our Group.

4. Preliminary expenses

We have not incurred any preliminary expenses as at the Latest Practicable Date.

5. The Sole Sponsor

The Sole Sponsor has made an [REDACTED] on behalf of our Company to [REDACTED] for [REDACTED] of, and permission to [REDACTED], the Shares in issue as mentioned herein and any Shares falling to be [REDACTED] pursuant to the [REDACTED], the exercise of the [REDACTED]. All necessary arrangements have been made enabling such Shares to be [REDACTED] into [REDACTED].

6. Independence of the Sole Sponsor and the Sole Sponsor's fee

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. Our Company agreed to pay the Sole Sponsor a fee of RMB5 million as the sponsor to our Company for the [REDACTED].

7. No material adverse change

Save as disclosed in this Document, our Directors confirm that there has been no material adverse change in our Group's financial or trading position since 31 May 2026 (being the date to which our Company's latest audited consolidated financial statements were made up) up to the date of this Document.

8. Promoter

The promoters of our Company were all three then-shareholders of our Company at the time of our Company's establishment as a joint stock company with limited liability on 9 June 2026, namely Mr. Chen, Jinan Weilanwan, Xinchen Huizhi and Janbon HK.

9. Agency fees or commissions received

Save as disclosed in this Document, none of our Directors or the experts named in the paragraph headed "F. Other information — 12. Consents of experts" in this appendix had received any agency fee or commissions from our Group within the two years preceding the date of this Document.

10. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Consultation with professional advisers

[REDACTED] of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of [REDACTED] the Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, [REDACTED] of Shares resulting from their [REDACTED] the Shares or exercise of any rights attaching to them.

11. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Document:

China Securities (International) Corporate Finance Company Limited	Licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
DeHeng Law Offices	Legal advisers to our Company as to PRC laws
Frost & Sullivan (Beijing) Inc. Shanghai Branch Co.	Independent industry consultant

12. Consents of experts

Each of the experts as referred to in "F. Other information — 11. Qualifications of experts" in this appendix has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its view, report, letter and/or legal opinion (as the case may be) and/or the references to its name included herein in the form and context in which they are respectively included.

As at the Latest Practicable Date, none of the experts named above has any shareholding interests in our Company or any of our subsidiary or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiary.

13. Binding effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) insofar as applicable.

14. Bilingual document

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English version and the Chinese language version, the English version shall prevail.

15. Miscellaneous

Save as disclosed in this Document:

(a) within two years immediately preceding the date of this Document:

(i) no share or loan capital of our Company or any of our subsidiary has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiary and no commission has been paid or is payable in connection with the issue or sale of any share or loan capital of our Company or any of the subsidiary;

(iii) no commission has been paid or payable (except to the [REDACTED]) for subscribing or agreeing to [REDACTED], for any shares of our Company or any of the subsidiary; and

(b) no founder, management or deferred shares of our Company have been issued or agreed to be issued.

(c) no share, warrant or loan capital of our Company or any of our subsidiary is under option or is agreed conditionally or unconditionally to be put under option;

(d) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(e) all necessary arrangements have been made enabling the Shares to be [REDACTED] into [REDACTED];

(f) our Directors confirm that none of them shall be required to hold any shares by way of qualification and none of them has any interest in the promotion of our Company;

(g) there has not been any interruption in the business of our Group which have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this Document;

(h) there is no arrangement under which future dividends are waived or agreed to be waived;

(i) the [REDACTED] does not involve the exercise of any right of pre-emption or the transfer of subscription rights;

(j) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(k) our Company has no outstanding convertible debt securities or debentures; and

(l) our Company is a joint stock limited company and is subject to the PRC Company Law.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(1) the written consents referred to in the section headed "Statutory and General Information — E. Other information — 12. Consents of experts" in Appendix VI to this Document; and

(2) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — B. Further information about our business — 1. Summary of material contracts" in Appendix VI to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.sdjbsp.com** up to and including the date which is 14 days from the date of this Document:

(1) the Articles of Association of our Company;

(2) the Accountants' Report on the historical financial information of our Group for the three years ended 31 December 2025 and the five months ended 31 May 2026 prepared by Ernst & Young, the text of which is set out in Appendix I to this Document;

(3) the audited combined financial statements of our Group for the three years ended 31 December 2025 and the five months ended 31 May 2026;

(4) the report on the unaudited [REDACTED] financial information of our Group prepared by Ernst & Young, the text of which is set out in Appendix II to this Document;

(5) the material contracts referred to in the section headed "Statutory and General Information — B. Further information about our business — 1. Summary of material contracts" in Appendix VI to this Document;

(6) the service contracts and letters of appointment with our Directors, referred to in the section headed "Statutory and General Information — C. Further information about our Directors and Substantial Shareholder — 3. Particulars of Directors' service contracts and letters of appointment" in Appendix VI to this Document;

(7) the written consents referred to in the section headed "Statutory and General Information — E. Other information — 12. Consents of experts" in Appendix VI to this Document;

(8) the PRC legal opinion prepared by DeHeng Law Offices, our legal advisers as to PRC laws, in respect of certain aspects of our Group;

(9) the industry report prepared by Frost & Sullivan (Beijing) Inc. Shanghai Branch Co., the summary of which is set forth in the section headed "Industry Overview" in this Document; and

(10) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, together with their unofficial English translations.