

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks associated with [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a globally leading new energy materials company with technological innovation and advanced manufacturing capabilities. We focus on the research and development, manufacturing and sales of phosphate-based cathode materials, primarily LFP cathode materials, and are committed to providing high-performance, highly consistent and cost-effective cathode materials to customers across the global new energy industry. According to Frost & Sullivan, we ranked first among phosphate-based cathode materials suppliers globally in terms of shipment volume for six consecutive years from 2020 to 2025, with a global market share of 28.2% in 2025.

Our continued efforts have enabled us to earn recognition from customers worldwide and achieve a series of remarkable achievements. Our principal achievements include:

Leading Market Position

Global market share of phosphate-based cathode materials¹ **28.2%**
 Ranked **No. 1** globally by shipment volume for **six consecutive years** (2020–2025)
 Market share of premium LFP cathode material¹ **55.4%**, ranked **No. 1** globally

Extensive Customer Coverage¹

China's top 10 power battery manufacturers: **10/10**
 China's top 10 energy storage battery manufacturers: **10/10**
 Global top 10 power battery manufacturers: **9/10**
 Global top 10 energy storage battery manufacturers: **10/10**

Vertically Integrated Operation

One of the very few in the industry to have achieved “resources — precursors — cathode materials — recycling”
100% in-house production of iron phosphate

Strong Profitability

One of the very few in the industry to have consistently sustained profitability across industry cycles²
 Profit attributable to owners of the Company³ increased by **115.2%** in 2025
 Profit attributable to owners of the Company⁴ increased by **1,337.8%** for the three months ended March 31, 2026

Notes:

- (1) Data source: Frost & Sullivan; in terms of shipment volume in 2025
- (2) Since 2020, the phosphate-based cathode materials industry has undergone cyclical fluctuations, with the vast majority of industry participants reporting losses in 2023 and 2024.
- (3) Compared to 2024
- (4) Compared to the three months ended March 31, 2025

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Our Business

We primarily provide lithium iron phosphate (LFP) cathode materials. We are also strategically expanding our product portfolio to further include lithium manganese iron phosphate (LMFP) cathode materials, cathode materials for sodium-ion batteries and cathode materials for solid-state batteries. Our LFP cathode material products are primarily used in power batteries and energy storage batteries, with key performance indicators that we believe are at the forefront of the industry.

Our Scale and Profitability

Our products are positioned to meet downstream demand for higher energy density, higher fast-charging capability/energy efficiency and larger battery capacity. Our sales volume increased by 40.2% from 506.8 thousand tons in 2023 to 710.6 thousand tons in 2024, and further by 60.0% to 1,137.1 thousand tons in 2025, and increased by 34.2% from 222.6 thousand tons in the three months ended March 31, 2025 to 298.8 thousand tons in the same period in 2026.

Benefiting from our industry leading customer base, product performance, production utilization rates and cost advantages arising from our vertically integrated operation, together with our forward-looking industry judgments, disciplined inventory management and continuous cost optimization initiatives, we have become one of the very few enterprises in the industry to sustain profitability through industry cycles. Our revenue decreased by 45.4% from RMB41,357.7 million in 2023 to RMB22,598.5 million in 2024, primarily due to the decrease in the average selling prices of our phosphate-based cathode materials following the decline in the market prices of lithium carbonate, despite a significant increase in our sales volume. In the same year, our profit attributable to owners of the Company decreased by 62.4%. Our revenue increased by 53.2% from RMB22,598.5 million in 2024 to RMB34,624.8 million in 2025, while our profit attributable to owners of the Company increased by 115.2% from RMB593.6 million in 2024 to RMB1,277.2 million in 2025. Our revenue further increased by 121.3% from RMB6,762.1 million in the three months ended March 31, 2025 to RMB14,965.4 million in the same period in 2026, while our profit attributable to owners of the Company increased by 1,337.8% from RMB94.3 million in the three months ended March 31, 2025 to RMB1,356.1 million in the same period in 2026.

Our Vertically Integrated Operation

We have established a vertically integrated operation spanning “resources — precursors — cathode materials — recycling.” We have achieved 100% in-house production of iron phosphate, and, building on this, we have been further extending into upstream mineral resources such as phosphate ore and pyrite. We have also developed in-house lithium carbonate processing capabilities, as well as lithium-ion battery recycling capabilities. Together with our production capability of iron phosphate, this enables vertical integration from raw materials to end products of LFP cathode materials. This vertically integrated operation has enhanced our supply chain resilience, and strengthened our cost competitiveness, enabling us to establish a difficult-to-replicate moat in cost control and supply chain resilience among industry peers.

Our Technology Innovation

We have established a comprehensive R&D and process management system covering raw material selection, particle size distribution control, high-temperature solid-state sintering, carbon coating and doping. Leveraging our technological expertise, we have developed a comprehensive R&D system and systematic industrialization capabilities in producing phosphate-based cathode materials that enable high energy density, high consistency, long cycle life and high fast-charging capability/energy efficiency. Our visionary technology roadmap supports the continuous upgrading of our product portfolio. Our fourth-generation LFP cathode material products have achieved mass production. We are also developing our fifth-generation LFP cathode material products, which are designed to further improve compaction density while supporting higher electrochemical performance. We have also developed new LMFP cathode materials to address customers’ differentiated product requirements. In addition, we are advancing the R&D of sodium-ion battery cathode materials, lithium-rich manganese-based cathode materials for solid-state batteries, high-nickel ternary cathode materials and high-voltage lithium nickel manganese oxide (LNMO) cathode materials.

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Our Customer Base and Global Expansion

We have established a broad and high-quality customer base supported by our industry-leading technology capabilities, comprehensive LFP cathode material product portfolio and the world’s largest production capacity of LFP cathode materials, according to Frost & Sullivan. In 2025, our customer base included all of the top ten power battery manufacturers and energy storage battery manufacturers in China; in the same year, our customer base included all of the top ten global energy storage battery manufacturers, as well as nine of the top ten global power battery manufacturers, according to Frost & Sullivan. Leveraging our technology leadership and production scale, we are expanding our global presence through overseas customer engagement, product qualification and validation with leading battery manufacturers, and the development of overseas production capacity, including our production base in Spain.

Our Sustainability Initiatives

We are committed to promoting green and sustainable development through high standards of ESG governance. We have established phased carbon reduction targets, including achieving 100% renewable electricity consumption by 2030, operational carbon neutrality by 2035 and carbon neutrality across our entire value chain by 2040. In 2025, the greenhouse gas emission intensity of our integrated products (tCO₂/t) decreased by 9.9% compared with 2023.

OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) comprehensive in-house R&D and innovation system establishes our technological barrier; (ii) vertically integrated operation enhances product quality control and cost competitiveness as dual moats; (iii) global expansion of intelligent manufacturing bases and scaled production capacity enhances our competitiveness; (iv) extensive coverage of leading global customers and joint efforts for low-carbon ecosystem; and (v) experienced management team with strategic vision and strong execution capabilities.

OUR STRATEGIES

Against the backdrop of the long-term transformation of the global new energy industry, we have set the goal of building a world-class new energy materials platform through four long-term strategic pillars: technology leadership, integrated industrial value chain, lean manufacturing and global presence. We intend to leverage these pillars to strengthen our collaborative innovation across multiple chemical systems, vertically integrated operation, advanced large-scale manufacturing and global service capabilities. Through these initiatives, we aim to enhance our resilience across industry cycles, support sustainable and high-quality growth, and contribute to the global energy transition and low-carbon development.

We intend to pursue the following strategies: (i) technology leadership: building a multi-chemistry materials platform powered by innovation; (ii) integrated industrial value chain: building an integrated ecosystem of bulk chemicals and advanced materials; (iii) lean manufacturing: building a scalable, intelligent and quality-driven advanced manufacturing system; and (iv) global presence: building a global production and localized service network.

PRODUCTION

As of the Latest Practicable Date, we operated five principal production bases in Chinese Mainland for the production of LFP cathode materials, iron phosphate and other key upstream materials. The table below sets out the location and aggregate land area of each production base:

Production base	Aggregate land area (mu)
Hunan Xiangtan base	329
Hunan Xiangxiang base	423
Sichuan Suining base	767
Guizhou Fuquan base	2,220
Yunnan Anning base	1,609

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The following table sets forth the production capacity, production volume and utilization rate of our phosphate-based cathode materials during the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
Phosphate-based cathode materials					
Production capacity ⁽¹⁾ ('000 tons) .	561.9	726.0	994.5	211.8	334.5
Production volume ⁽²⁾ ('000 tons) .	504.4	735.5	1,131.3	224.7	303.7
Utilization rate ⁽³⁾ (%)	89.8	101.3	113.8	106.1	90.8

Notes:

- (1) The production capacity for a given year or period is generally calculated based on the originally planned annual production capacity of the relevant production lines, assuming they operate at their full planned production capacity, taking into account the period during which such production lines are in operation in the relevant year or period.
- (2) The actual production volume represents the total volume of products produced during the relevant year or period.
- (3) The utilization rate is calculated as the production volume divided by the production capacity during the same year or period.

OUR CUSTOMERS AND SUPPLIERS

We adopt a direct sales model, and our customers are mainly lithium-ion battery manufacturers. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our five largest customers together generated RMB39,750.1 million, RMB18,387.8 million, RMB24,715.6 million and RMB9,507.0 million of revenue, respectively, accounting for 96.1%, 81.4%, 71.3% and 63.6% of our total revenue, respectively. In addition, revenue generated from our largest customer accounted for 41.0%, 31.1%, 29.7% and 27.6% of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. See “Business — Our Customers.”

During the Track Record Period, our suppliers primarily supplied key raw materials, such as lithium carbonate. In 2023, 2024, 2025 and the three months ended March 31, 2026, purchases from our five largest suppliers were RMB23,911.4 million, RMB8,757.1 million, RMB9,114.1 million and RMB4,581.9 million, respectively, representing 75.5%, 48.1%, 34.9% and 37.0% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 36.4%, 18.9%, 12.0% and 8.8% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. See “Business — Our Supply Chain — Our Major Suppliers.”

COMPETITION

We operate in the global and Chinese Mainland phosphate-based cathode materials industry, which is highly competitive and characterized by high entry barriers, including technology barriers, customer resource barriers and supply chain barriers. The industry is expected to continue evolving toward higher-performance materials, driven by improvements in energy density, fast-charging capability, cycle life and other performance characteristics. Our major competitors include phosphate-based cathode material manufacturers.

According to Frost & Sullivan, we ranked first among phosphate-based cathode materials suppliers globally in terms of shipment volume for six consecutive years from 2020 to 2025, with a global market share of 28.2% in 2025. According to Frost & Sullivan, we also ranked first globally in the premium LFP cathode materials market by shipment volume in 2025, with a market share of 55.4%.

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RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our business and industry, (ii) risks relating to where we conduct business, and (iii) risks relating to the [REDACTED], which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) demand in the market in which we operate is constantly evolving, and any slowdown or decrease in downstream demand may have a material impact on us; (ii) if we fail to maintain our technological leadership and adapt to changing customer requirements, the competitiveness of our products and our results of operations may be adversely affected; (iii) price fluctuation and inadequate supply of raw materials for our production could adversely affect our business, financial condition and results of operations; (iv) our business faces competition; and (v) we may face risks if there are quality issues with our products.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data during the Track Record Period, extracted from the Accountants’ Report as set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

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

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Revenue	41,357,671	100.0	22,598,527	100.0	34,624,768	100.0	6,762,141	100.0	14,965,444	100.0
Cost of sales	(38,528,226)	(93.2)	(20,857,291)	(92.3)	(31,472,441)	(90.9)	(6,388,852)	(94.5)	(12,547,451)	(83.8)
Gross profit	2,829,445	6.8	1,741,236	7.7	3,152,327	9.1	373,289	5.5	2,417,993	16.2
Selling and marketing expenses	(45,486)	(0.1)	(46,160)	(0.2)	(49,826)	(0.1)	(10,223)	(0.2)	(10,997)	(0.1)
Research and development expenses	(358,167)	(0.9)	(291,542)	(1.3)	(380,853)	(1.1)	(67,023)	(1.0)	(180,493)	(1.2)
General and administrative expenses	(474,153)	(1.1)	(499,011)	(2.2)	(642,668)	(1.9)	(143,948)	(2.1)	(219,682)	(1.5)
Other income and other gains and (losses), net	74,742	0.2	57,023	0.3	(183,062)	(0.5)	11,532	0.2	(169,692)	(1.1)
Reversal of expected credit losses (expected credit losses) on financial assets	52,220	0.1	(61,240)	(0.3)	(127,116)	(0.4)	(10,985)	(0.2)	(129,095)	(0.9)
Finance income (costs), net . .	(196,098)	(0.5)	(153,554)	(0.7)	(201,572)	(0.6)	(46,095)	(0.7)	(61,733)	(0.4)
Impairment loss on non-financial assets	–	0.0	(29,248)	(0.1)	(86,825)	(0.3)	–	0.0	–	0.0
Share of results of associates .	(7,816)	(0.0)	(11,674)	(0.1)	(7,973)	(0.0)	(1,517)	(0.0)	420	0.0

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	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Profit before tax	1,874,687	4.5	705,830	3.1	1,472,432	4.3	105,030	1.6	1,646,721	11.0
Income tax expense	(294,178)	(0.7)	(115,875)	(0.5)	(205,378)	(0.6)	(11,444)	(0.2)	(287,259)	(1.9)
Profit for the year/period . .	<u>1,580,509</u>	<u>3.8</u>	<u>589,955</u>	<u>2.6</u>	<u>1,267,054</u>	<u>3.7</u>	<u>93,586</u>	<u>1.4</u>	<u>1,359,462</u>	<u>9.1</u>
Attributable to:										
Owners of the Company	1,580,629	3.8	593,552	2.6	1,277,183	3.7	94,316	1.4	1,356,057	9.1
Non-controlling interests . . .	(120)	(0.0)	(3,597)	(0.0)	(10,129)	(0.0)	(730)	(0.0)	3,405	0.0

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use non-IFRS measures, including EBITDA (Non-IFRS Measure) and EBITDA margin (Non-IFRS Measure), as additional financial metrics, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated financial statements from the same perspective as they help our management. However, our presentation of EBITDA (Non-IFRS Measure) and EBITDA margin (Non-IFRS Measure) may not be comparable to similar titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for, an analysis of our results of operations or financial condition as reported under IFRS. The following table sets forth our non-IFRS financial measure for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000, except for percentages)	(RMB'000, except for percentages)	(RMB'000, except for percentages)	(unaudited) (RMB'000, except for percentages)	(unaudited) (RMB'000, except for percentages)
Profit for the year/period	1,580,509	589,955	1,267,054	93,586	1,359,462
adjusted for:					
Finance (income) costs, net	196,098	153,554	201,572	46,095	61,733
Income tax expense	294,178	115,875	205,378	11,444	287,259
Depreciation on property, plant and equipment	1,064,726	1,575,044	2,108,154	486,767	638,725
Depreciation on right-of-use assets	13,453	17,460	22,341	5,253	6,647
Amortization on intangible assets	12,571	13,237	12,533	3,263	3,142
EBITDA (Non-IFRS Measure) . .	<u>3,161,535</u>	<u>2,465,125</u>	<u>3,817,032</u>	<u>646,408</u>	<u>2,356,968</u>
<i>EBITDA margin (Non-IFRS Measure)</i>	<i>7.6%</i>	<i>10.9%</i>	<i>11.0%</i>	<i>9.6%</i>	<i>15.7%</i>

Revenue

During the Track Record Period, we generated revenue principally from the sale of phosphate-based cathode materials. Our revenue amounted to RMB41,357.7 million, RMB22,598.5 million and RMB34,624.8 million in 2023, 2024 and 2025, respectively, and RMB6,762.1 million and RMB14,965.4 million for the three months ended March 31, 2025 and 2026, respectively.

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Revenue by Product and Service Category

Our revenue comprises revenue from (i) sales of phosphate-based cathode materials, which accounted for the substantial majority of our total revenue during the Track Record Period, as well as (ii) others. The following table sets forth a breakdown of our revenue by product, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Phosphate-based cathode material	41,105,774	99.4	22,214,955	98.3	33,909,853	97.9	6,653,351	98.4	14,705,738	98.3
Others ⁽¹⁾	251,897	0.6	383,572	1.7	714,915	2.1	108,790	1.6	259,706	1.7
Total	41,357,671	100.0	22,598,527	100.0	34,624,768	100.0	6,762,141	100.0	14,965,444	100.0

Note:

(1) Others primarily consist of sales of by-products generated during the production process, as well as sales of raw materials.

Our revenue increased from RMB6,762.1 million in the first quarter of 2025 by 121.3% to RMB14,965.4 million for the same period in 2026, primarily due to (i) higher sales volume of our phosphate-based cathode materials driven by growing demand from downstream power and energy storage batteries and (ii) an increase in our products’ average selling price, tracking a rebound in lithium carbonate prices driven by significantly improved industry supply and demand dynamics. Our revenue increased from RMB22,598.5 million in 2024 by 53.2% to RMB34,624.8 million in 2025, primarily due to a substantial increase in sales volume of our phosphate-based cathode materials driven by growing demand from downstream power and energy storage batteries. Our revenue decreased from RMB41,357.7 million in 2023 by 45.4% to RMB22,598.5 million in 2024, primarily due to a decline in the average price of phosphate-based cathode materials as lithium carbonate prices decreased, despite a substantial increase in our product sales volume.

Gross Profit and Gross Profit Margin

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

	Year ended December 31,						Three months ended March 31,			
	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
	(in RMB thousands, except for percentages)						(unaudited)		(unaudited)	
Phosphate-based cathode materials	2,667,050	6.5%	1,662,287	7.5%	2,998,738	8.8%	347,931	5.2%	2,373,143	16.1%
Others ⁽¹⁾	162,395	64.5%	78,949	20.6%	153,589	21.5%	25,358	23.3%	44,850	17.3%
Total	2,829,445	6.8%	1,741,236	7.7%	3,152,327	9.1%	373,289	5.5%	2,417,993	16.2%

Note:

(1) Others primarily consist of sales of by-products generated during the production process, as well as sales of raw materials.

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Summary of Selected Items of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Total non-current assets	12,618,869	14,887,505	18,234,978	18,972,780
Total current assets	14,175,776	15,454,566	20,857,176	30,298,306
Total assets	26,794,645	30,342,071	39,092,154	49,271,086
Total non-current liabilities	3,009,891	3,994,387	5,730,553	6,661,822
Total current liabilities	12,468,971	14,687,141	20,418,167	23,506,021
Total liabilities	15,478,862	18,681,528	26,148,720	30,167,843
Net current assets	1,706,805	767,425	439,009	6,792,285
Total equity	11,315,783	11,660,543	12,943,434	19,103,243

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated cash flows for the periods indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Net cash flows from/(used in) operating activities . . .	501,244	(1,042,215)	(1,546,349)	(530,758)	(1,044,880)
Net cash flows used in investing activities	(2,621,863)	(1,330,887)	(2,196,435)	(474,076)	(425,242)
Net cash flows from financing activities	2,348,735	2,252,908	4,235,943	907,921	6,151,201
Net increase/(decrease) in cash and cash equivalents	228,116	(120,194)	493,159	(96,913)	4,681,079
Exchange realignment	—	(442)	2,676	877	(15,093)
Cash and cash equivalents at beginning of the year/period	435,169	663,285	542,649	542,649	1,038,484
Cash and cash equivalents at end of the year/period	663,285	542,649	1,038,484	446,613	5,704,470

We had a net operating cash inflow of RMB501.2 million in 2023. We had net operating cash outflows of RMB1,042.2 million, RMB1,546.3 million and RMB1,044.9 million in 2024, 2025 and for the three months ended March 31, 2026, respectively, which were primarily affected by our bank acceptance note settlement arrangements. During the relevant periods, a significant portion of our sales was settled by bank acceptance notes and electronic debt certificates received from customers. We subsequently endorsed and transferred some of these notes to settle payments for purchases of long-term assets, instead of holding them to maturity and collecting the proceeds as operating cash inflows. Accordingly, these arrangements reduced our operating cash inflows reported in our consolidated statements of cash flows during the relevant periods. See “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis.”

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates and for the periods indicated.

	Year ended/As of December 31,			Three months ended/As of March 31,
	2023	2024	2025	2026 (unaudited)
Gross profit margin ⁽¹⁾	6.8%	7.7%	9.1%	16.2%
Net profit margin ⁽²⁾	3.8%	2.6%	3.7%	9.1%
Return on assets ⁽³⁾	5.9%	1.9%	3.2%	11.0%
Return on equity ⁽⁴⁾	14.0%	5.1%	9.9%	28.5%
Gearing ratio ⁽⁵⁾	57.8%	61.6%	66.9%	61.2%
Current ratio ⁽⁶⁾	1.1	1.1	1.0	1.3
Quick ratio ⁽⁷⁾	1.0	0.9	0.8	1.1
Inventory turnover days ⁽⁸⁾	30	36	37	31

Notes:

- (1) Gross profit margin is calculated based on gross profit for the relevant year/period divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the relevant year/period divided by revenue and multiplied by 100%.
- (3) Return on assets is calculated by dividing profit for the relevant year/period by total assets as of the end of the relevant year/period and multiplying the resulting amount by 100%. For illustrative purposes, return on assets for the three months ended March 31, 2026 has been annualized and may not be indicative of the corresponding ratio for the full year ending December 31, 2026.
- (4) Return on equity is calculated by dividing profit attributable to the owners of the company for the relevant year/period by equity attributable to the owners of the company as of the end of the relevant year/period and multiplying the resulting amount by 100%. For illustrative purposes, return on equity for the three months ended March 31, 2026 has been annualized and may not be indicative of the corresponding ratio for the full year ending December 31, 2026.
- (5) Gearing ratio is calculated based on total liabilities divided by total assets as of the date indicated and multiplied by 100%.
- (6) Current ratio is calculated based on current assets divided by current liabilities as of the date indicated.
- (7) Quick ratio is calculated based on current assets less inventories divided by current liabilities as of the date indicated.
- (8) Inventory turnover days for each year/period equal the average of the beginning and ending balances of inventories for that year/period divided by cost of sales for that year/period, multiplied by 365 days for a year ended December 31 and 90 days for the three months ended March 31.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, our Company was held by Electrochem Group, Xiangtan Electrochem and Zhenxiang SAOI as to approximately 9.03%, 5.67% and 0.71%, respectively, representing a total of 15.41% of the voting power at general meetings of our Company. For details, see “History, Development and Corporate Structure — Corporate Structure” in this document. Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED], Electrochem Group, Xiangtan Electrochem and Zhenxiang SAOI will be entitled to exercise a total of approximately [REDACTED]% of the voting power at general meetings of our Company. Upon [REDACTED], Electrochem Group, Xiangtan Electrochem and Zhenxiang SAOI will together constitute our Single Largest Group of Shareholders.

SUMMARY

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since February 2023, our A Shares have been listed on the ChiNext of the Shenzhen Stock Exchange. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of our material non-compliance with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors having made all reasonable enquiries, there are no material matters in relation to our compliance record on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or [REDACTED] of the [REDACTED]. Based on the view of our PRC Legal Advisor and the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause it to disagree with our Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

[REDACTED]

DIVIDENDS

In 2023, 2024 and 2025, we declared dividends of RMB301.4 million, RMB316.5 million and RMB118.9 million, respectively. Pursuant to the resolution passed at the general meeting of the Company held in May 2026, we declared a dividend of RMB300.2 million to Shareholders based on the distributable profits as of December 31, 2025. As of the Latest Practicable Date, we had paid these dividends in full.

After the completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. In principle, we prioritize cash dividends as the profit distribution method if the conditions for cash dividends are met. When we have major investment plans or significant cash expenditures, we may distribute dividends in the form of share equity. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our profitability and capital conditions, future operating plans and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association and the relevant laws. Our specific dividend distribution arrangements will be implemented upon review and approval by the Shareholders’ meeting.

SUMMARY

According to applicable laws in Chinese Mainland and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders’ general meeting. If there are no major investment plans or significant cash expenditures, the profits distributed in cash shall be no less than 10% of the distributable profits achieved in the year.

FUTURE PLANS AND [REDACTED]

Assuming the maximum [REDACTED] of HK\$[REDACTED] per H Share, we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming that the [REDACTED] is not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]% (or approximately HK\$[REDACTED]) of the [REDACTED] will be used for the construction of an Integrated Mining-Chemistry Project for New Battery Materials in Guizhou.
- Approximately [REDACTED]% (or approximately HK\$[REDACTED]) of the [REDACTED] will be used for working capital and general corporate purposes.

See “Future Plans and [REDACTED].”

[REDACTED]

The estimated total [REDACTED] for the [REDACTED] are approximately RMB[REDACTED] (HK\$[REDACTED]), representing approximately [REDACTED]% of our gross [REDACTED] (based on the maximum price of the [REDACTED] and assuming that the [REDACTED] is not exercised), among which (i) [REDACTED] expenses, including [REDACTED] and other expenses are approximately RMB[REDACTED] (HK\$[REDACTED]) and (ii) [REDACTED] expenses are approximately RMB[REDACTED] (HK\$[REDACTED]), comprising (a) fees and expenses of legal advisers and accountants of approximately RMB[REDACTED] (HK\$[REDACTED]) and (b) other fees and expenses of approximately RMB[REDACTED] (HK\$[REDACTED]). Among such estimated total [REDACTED], an estimated amount of RMB[REDACTED] (HK\$[REDACTED]) was or is expected to be charged to our statements of profit or loss, and the remaining amount of RMB[REDACTED] (HK\$[REDACTED]) is expected to be recognized directly as a deduction from equity upon the [REDACTED]. As of March 31, 2026, we incurred [REDACTED] of [REDACTED]. The [REDACTED] above represent our latest practicable estimate and are for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since March 31, 2026 and up to the Latest Practicable Date, we continued to achieve strong business growth. Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end of the period reported on by our reporting accountants in the Accountants’ Report set out in Appendix I to this document, and there has been no event since March 31, 2026 which would materially affect the information shown in the Accountants’ Report.