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.

On June 23, 2016, our Company was founded by seven investors, including Xiangtan Electrochem, a member of our Single Largest Group of Shareholders. Over the years, we have continuously enhanced and refined our production technologies through independent research and development, process optimization and product innovation, thereby establishing our own proprietary technological capabilities and core competencies in lithium-ion battery cathode materials. We have established a nationwide manufacturing network in the PRC, and commenced our global expansion by establishing a manufacturing facility in Europe to support the growing market demand for lithium-ion battery materials.

On November 20, 2020, we were converted into a joint stock company with limited liability. In February 2023, we completed the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange (stock code: 301358.SZ).

MILESTONES

The following is a summary of our key business development milestones.

Year	Event
2016	We established our headquarters and production base in Hunan Province.
2018	We commenced the mass commercial supply of our LFP cathode materials to CATL and BYD.
2019	We established our manufacturing base in Guangxi Province, initiating our development of nationwide manufacturing footprint.
2020	We established our manufacturing base in Sichuan Province, and our sales volume of phosphate cathode materials ranked first globally for the first time in the same year.
	We were converted into a joint stock company with limited liability, and introduced strategic investors.
	We acquired Jingxi Xiangtan Electrochem New Energy Material Co., Ltd. (靖西湘潭電化新能源材料有限公司), commencing our in-house production of iron phosphate.
2021	We concurrently commenced the construction of our two major production bases in Guizhou and Yunnan to further expand our manufacturing footprint.
2023	We completed the listing of our A Shares on the ChiNext of the Shenzhen Stock Exchange (stock code: 301358.SZ).
	We established Hunan Yuneng Recycling Technology Co., Ltd. (湖南裕能循環科技有限公司) to commence our lithium carbonate processing and lithium battery recycling businesses.
2024	We achieved 100% self-sufficiency in the supply of iron phosphate.
	We obtained the mining rights for the Huangjiapo and Dashichang phosphate mines in Guizhou Province, further extending our industry value chain upstream into mineral resource development.
	We established a subsidiary in Spain, commencing our global footprint.

Year	Event
2025	The sales volume of our phosphate cathode materials exceeded one million tons, ranking first globally for the sixth consecutive year.
2026	We completed a non-public issuance of our A Shares to specific investors in the A-share market, raising net proceeds of approximately RMB4,732.19 million.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our Major Subsidiaries which had made a material contribution to our results of operation during the Track Record Period or of strategic significance to our business:

Name of subsidiary	Place of establishment	Date of establishment	Shareholding	Principal business activities
Sichuan Yuneng New Energy Battery Material Co., Ltd. (四川裕能新能源電池材料有限公司)	PRC	March 2, 2020	100%	research and development, production and sale of lithium-ion battery materials
Sichuan Yuning New Energy Material Co., Ltd. (四川裕寧新能源材料有限公司)	PRC	May 26, 2020	100%	research and development, production and sale of lithium-ion battery materials
Yunnan Yuneng New Energy Battery Material Co., Ltd. (雲南裕能新能源電池材料有限公司)	PRC	July 5, 2021	100%	research and development, production and sale of lithium-ion battery materials
Guizhou Yuneng New Energy Battery Material Co., Ltd. (貴州裕能新能源電池材料有限公司)	PRC	July 5, 2021	100%	research and development, production and sale of lithium-ion battery materials
Guizhou Yuneng Mining Co., Ltd. (貴州裕能礦業有限公司)	PRC	May 17, 2022	67%	mining of mineral resources and mineral processing
Hunan Yuneng Recycling Technology Co., Ltd. (湖南裕能循環科技有限公司)	PRC	February 16, 2023	100%	processing, recycling and production of lithium carbonate resources
Yuneng International (Spain) New Energy Battery Material, S.L.	Spain	August 7, 2024	100%	research and development, production and sale of lithium-ion battery materials

For further details of our Company's subsidiaries, see "— Corporate Structure" in this section.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of our Company

Our Company was established on June 23, 2016, under the laws of the PRC as a limited liability company with an initial registered capital of RMB100,000,000, which was held by Lihui New Material as to 40%, Xiangtan Electrochem as to 20%, and five other Shareholders each holding no more than 10% interests therein and being an Independent Third Party as of the Latest Practicable Date.

In December 2017, we further completed a capital increase. As a result, our registered capital was increased to RMB230,000,000, which was held by Lihui New Material as to 17.39%, Xiangtan Electrochem as to 16.07%, Jinsheng New Material as to 16.07%, Electrochem Group as to 6.27%, and eight other Shareholders each holding no more than 10% interests therein and being an Independent Third Party as of the Latest Practicable Date.

Share Transfers and Capital Increases

From April 2019 to June 2020, our Company underwent several rounds of capital injections. As of June 2020, the registered capital of our Company increased to RMB299,230,700, which was held by Xiangtan Electrochem as to 16.07%, Jinsheng New Material as to 16.07%, Lihui New Material as to 13.37%, Electrochem Group as to 12.84%, and other 11 Shareholders each holding no more than 10% interests therein and being an Independent Third Party as of the Latest Practicable Date.

Conversion into a Joint Stock Company

In November 2020, our Company was converted into a joint stock company with limited liability (the "**Conversion**") with the registered capital of RMB299,230,700, divided into 299,230,700 Shares of RMB1.0 each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company. The shareholding structure of our Company immediately following the Conversion was as follows:

Shareholders	Number of Shares	Percentage of Shareholding
Xiangtan Electrochem and Electrochem Group[(1)]	86,495,000	28.91%
Jinsheng New Material[(2)]	48,080,400	16.07%
Lihui New Material[(2)]	40,000,000	13.37%
Liangxing Group[(3)]	20,403,100	6.82%
Wen Yu[(4)]	19,980,000	6.68%
Zhiyue Group[(5)]	19,980,000	6.68%
Changjiang Chendao (Hubei) New Energy Industry Investment Partnership (Limited Partnership) (長江晨道(湖北)新能源產業投資合夥企業(有限合夥))	19,513,800	6.52%
Jiangsu Huogao New Energy Technology Co., Ltd. (江蘇火高新能源科技有限公司) ("**Huogao Technology**")[(6)]	17,500,000	5.85%
Hunan Longying No. 1 Investment Partnership Enterprise (Limited Partnership) (湖南隆盈壹號投資合夥企業(有限合夥))[(7)]	15,384,600	5.14%
Lhasa Economic and Technological Development Zone Tianyi Small and Medium-sized Enterprise Services Co., Ltd. (拉薩經濟技術開發區天易中小企業服務有限公司)[(8)]	10,740,000	3.59%
Xiangtan Yuhe[(9)]	1,153,800	0.39%
Total	**299,230,700**	**100.00%**

Notes:

(1) Included 48,080,400 Shares held by Xiangtan Electrochem and 38,414,600 Shares held by Electrochem Group.

(2) An Independent Third Party as of the Latest Practicable Date.

(3) Included 10,000,000 Shares held by Anyi Liangxing Hongshen No. 1 Venture Capital Partnership (Limited Partnership) (安義兩型弘申一號創業投資合夥企業(有限合夥), formerly known as Huzhou Liangxing Hongshen No. 1 Venture Capital Partnership (Limited Partnership) (湖州兩型弘申一號創業投資合夥企業(有限合夥))), Hainan Liangxing Hongshen No. 1 Fund Partnership (Limited Partnership) (海南兩型弘申一號基金合夥企業(有限合夥)), and Shenzhen Liangxing Hongshen No. 1 Management Enterprise (Limited Partnership) (深圳兩型弘申一號管理企業(有限合夥)), 8,480,000 Shares held by Hainan Liangxing Hongshen No. 2 Fund Partnership (Limited Partnership) (海南兩型弘申二號基金合夥企業(有限合夥), formerly known as Shenzhen Liangxing Hongshen No. 2 Management Enterprise (Limited Partnership) (深圳兩型弘申二號管理企業(有限合夥))) and 1,923,100 Shares held by Xizang Liangxing Enterprise Management Co., Ltd. (西藏兩型企業管理有限公司, formerly known as Xizang Liangxing Capital Management Co., Ltd. (西藏兩型資本管理有限公司)).

(4) Wen Yu is our former director.

(5) Included 10,000,000 Shares held by Zhoushan Zhiyue Shaohan Venture Capital Center (Limited Partnership) (舟山智越韶瀚創業投資中心(有限合夥)) (formerly known as Shanghai Zhiyue Shaohan Investment Center (Limited Partnership) (上海智越韶瀚投資中心(有限合夥))) and 9,980,000 Shares held by Zhoushan Zhiyue Rongxi Investment Partnership (Limited Partnership) (舟山智越榮熙投資合夥企業(有限合夥)).

(6) Formerly known as Shenzhen Huogao Technology Co., Ltd. (深圳火高科技有限公司).

(7) Formerly known as ABCI (Hunan) No. 1 Equity Investment Partnership (Limited Partnership) (農銀(湖南)壹號股權投資企業(有限合夥)).

(8) Formerly known as Xiangtan Tianyi Small and Medium-sized Enterprise Services Co., Ltd. (湘潭天易中小企業服務有限公司).

(9) Xiangtan Yuhe is one of our Employee Shareholding Platforms.

Strategic Financing in December 2020

In December 2020, concurrently with the establishment of six Employee Shareholding Platforms, we introduced new strategic investors, including CATL and BYD. Our registered capital increased from RMB299,230,700 to RMB567,939,870. Such subscriptions were made at a price of RMB3.3419 per Share, comprising cash contributions of RMB648,000,000 and an equity contribution of RMB250,000,000.

Upon completion of the aforesaid capital increase, our Company was held by Electrochem Group as to 13.48%, Jinsheng New Material as to 10.57%, CATL as to 10.54%, Xiangtan Electrochem as to 8.47%, Zhenxiang SAOI as to 1.05%, Employee Shareholding Platforms as to 10.72%, and 17 other Shareholders as to approximately 45.17% in total, each holding no more than 10% interests therein and being an Independent Third Party as of the Latest Practicable Date.

Listing on the Shenzhen Stock Exchange

On February 9, 2023, our A Shares were listed on the ChiNext of the Shenzhen Stock Exchange under the stock code of 301358 (the "**A-Shares Listing**"). In connection with the A-Shares Listing, we issued an aggregate of 189,313,200 A Shares, accounting for approximately 25% of our enlarged share capital immediately following the completion of the A-Shares Listing. Immediately upon the completion of the A-Shares Listing, our registered capital increased to RMB757,253,070.

Following the new issuance of A Shares in July 2025 pursuant to the 2024 Restricted Share Incentive Plan, our registered capital further increased to RMB760,802,721.

Non-public Offering of A Shares in 2026 and Subsequent Changes in Share Capital

In April 2026, to support our manufacturing expansion plans and for general working capital purposes, our Company completed a non-public offering of 82,537,493 A Shares. The offer price was RMB58.01 per A Share, which was determined based on various factors, including, among other things, the average trading price of our A Shares of the 20 trading days prior to the pricing date and the indicative investment interest of potential investors. The new A Shares were eventually placed to 18 specific investors which comprised insurance companies and asset managers, all of whom, to the best knowledge of our Directors, were Independent Third Parties. We raised net proceeds of approximately RMB4,732.19 million. Immediately following the completion of this offering, our registered capital increased from RMB760,802,721 to RMB843,340,214.

Since April 2026, the registered capital of our Company further increased to RMB847,731,658 as a result of issuance of A Shares under our 2024 Restricted Share Incentive Plan. Except for the issuance of A Shares in accordance with the 2024 Restricted Share Incentive Plan, details of which are set forth in the section headed "D. 2024 Restricted Share Incentive Plan" in Appendix V to this document, there were no other outstanding options, warrants, or convertible securities that could potentially affect the shareholding structure of our Company as of the Latest Practicable Date. As of Latest Practicable Date, the registered capital of our Company was RMB847,731,658.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us.

OUR A SHARE LISTING AND REASONS FOR THE H SHARE [**REDACTED**]

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**]. Our PRC Legal Advisor is of the view that, there had been no instances of our material non-compliance with the applicable securities laws and regulations in the PRC in relation to its listing on the Shenzhen Stock Exchange in any material respect for the three years ended December 31, 2023, 2024 and 2025, and up to the date of submission of the H Share [**REDACTED**] to the Hong Kong Stock Exchange. Based on the view of our PRC Legal Advisor as disclosed above 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.

We seek to [**REDACTED**] our H Shares on the Stock Exchange to further advance our global strategic expansion, establish an international capital operations platform, and enhance our overall competitiveness. See "Business — Our Strategies" and "Future Plans and [**REDACTED**]" in this document for more details.

PUBLIC FLOAT

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with 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, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] represents approximately [**REDACTED**]% of the total issued share capital of our Company (before any exercise of the [**REDACTED**]). Immediately following the completion of the [**REDACTED**] (before any exercise of the [**REDACTED**]), the total market value of the H Shares expected to be held by the public represents approximately HK$[**REDACTED**], which is higher than the prescribed market value of H Shares required to be held in public hands under Rule 19A.13A(2) of the Listing Rules calculated based on the [**REDACTED**] of HK$[**REDACTED**] per H Share. Based on the above, it is expected that our Company will satisfy the public float requirement under Rule 19A.13A(2) of the Listing Rules.

FREE FLOAT

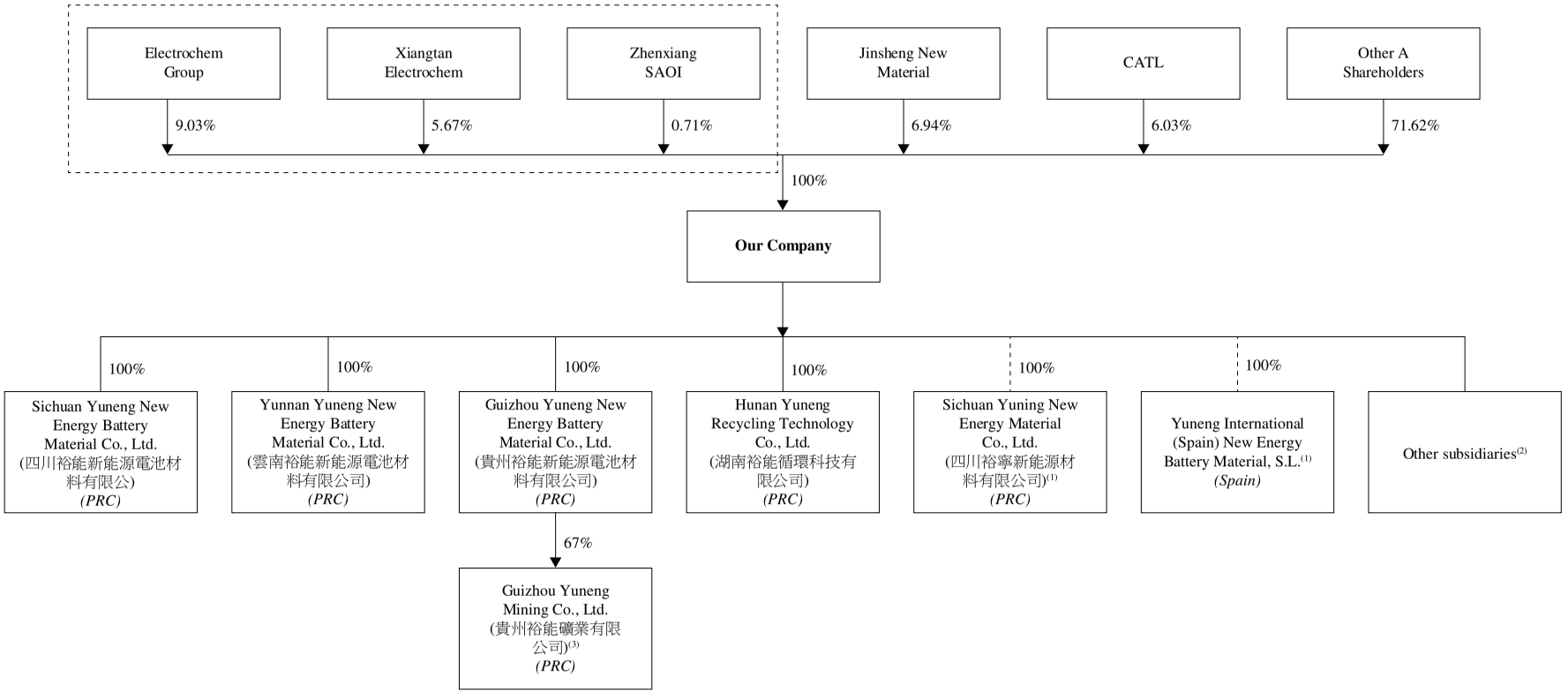
Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% 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.

The Company has proposed to adopt mechanism B under Chapter 4.14 of the Guide for New Listing Applicants. Accordingly, [**REDACTED**] of the initial [**REDACTED**] shall be [**REDACTED**] to the public [**REDACTED**] tranche, and at least [**REDACTED**] of the [**REDACTED**] shall be [**REDACTED**] to the [**REDACTED**] tranche (other than [**REDACTED**]) pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules. Therefore, at least [**REDACTED**] of the [**REDACTED**] will not be subject to lock-up at the time of the [**REDACTED**]. Taking into account the total number of at least [**REDACTED**] H shares which will be held by the public and not subject to any disposal restrictions, with expected market capitalization at the time of the [**REDACTED**] of approximately HK$[**REDACTED**] calculated based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, which is higher than the prescribed market capitalization of not less than HK$600,000,000 under Rule 19A.13C(2)(b), the Company will thereby satisfy the free float requirement under Rule 19A.13C(2)(b) of the Listing Rules at the time of [**REDACTED**].

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the [**REDACTED**], assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].



Notes:

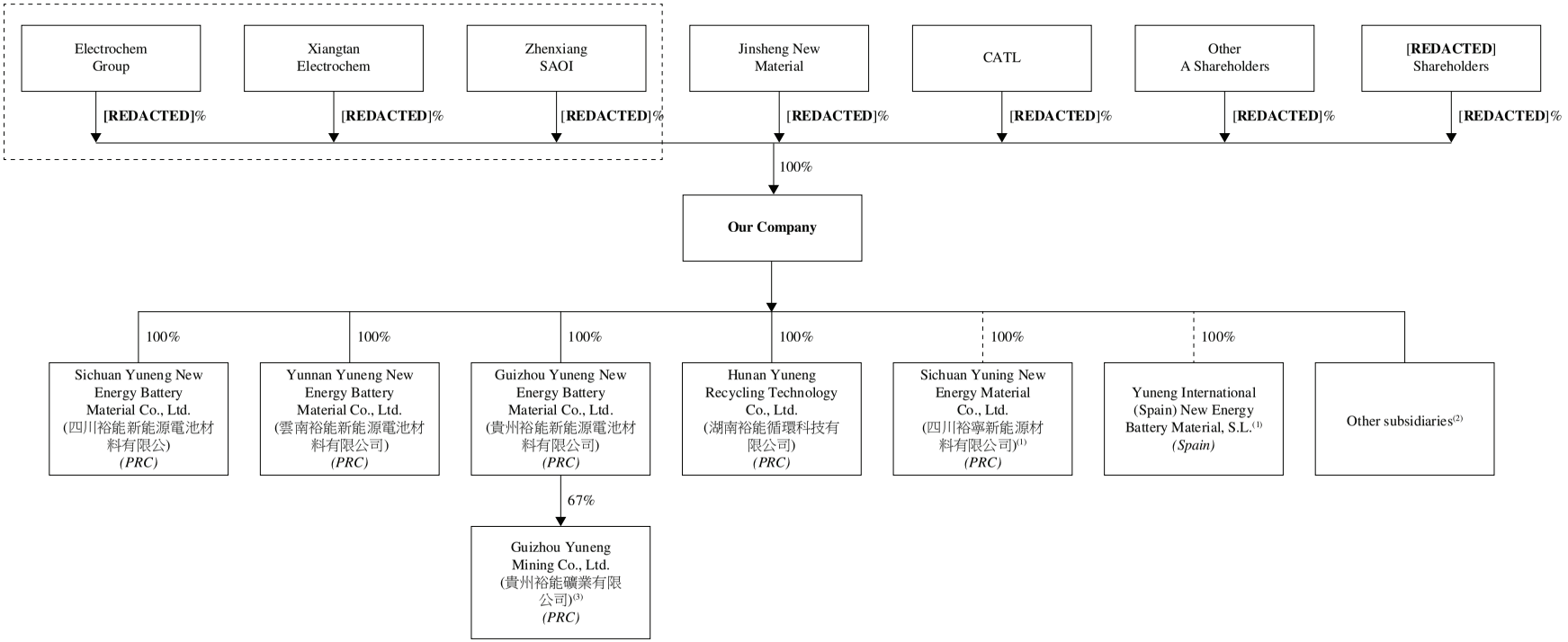
(1) Indirectly wholly owned by our Company.

(2) As of the Latest Practicable Date, we had a total of 21 subsidiaries, including our Major Subsidiaries and the remaining 14 subsidiaries incorporated in various jurisdictions, which included: (i) Guangxi Yuneng New Energy Battery Material Co., Ltd. (廣西裕能新能源電池材料有限公司); (ii) Guangxi Yuning New Energy Material Co., Ltd. (廣西裕寧新能源材料有限公司); (iii) Yunnan Yusheng Chemical New Material Co., Ltd. (雲南裕盛化工新材料有限公司); (iv) Guizhou Changsheng Trading Co., Ltd. (貴州長盛貿易有限公司); (v) Hunan Yuneng Modern Logistics Co., Ltd. (湖南裕能現代物流有限公司); (vi) Sichuan Yuyan New Material Co., Ltd. (四川裕沿新材料有限公司); (vii) Yuneng Copper Industry (Guizhou) Co., Ltd. (裕能銅業(貴州)有限公司); (viii) Guizhou Yuxing Environmental Protection Technology Co., Ltd. (貴州裕星環保科技有限公司); (ix) Hunan Yuneng Funeng Trading Co., Ltd. (湖南裕能賦能貿易有限公司); (x) Hunan Yuneng Shunxing Sales Co., Ltd. (湖南裕能順興銷售有限公司); (xi) Yuneng International (SGP) Development PTE. Ltd.; (xii) Yuneng International (SGP) Investment PTE. Ltd.; (xiii) Yuneng Phosphorus Chemical (Guizhou) Co., Ltd. (裕能磷化工(貴州)有限公司); and (xiv) Yuneng Wengfa (Guizhou) New Energy Battery Material Co., Ltd. (裕能甕發(貴州)新能源電池材料有限公司). All our non-major subsidiaries are wholly owned by our Company, except that (i) Sichuan Yuyan New Material Co., Ltd. was owned as to 41% by Chengdu Guangyu Chemical Co., Ltd. (成都廣裕化工有限公司), which was in turn owned as to 65% by Sichuan Leishuo Electronic Material Co., Ltd. (四川雷碩電子材料有限公司), an Independent Third Party, and as to 35% by three other shareholders each holding no more than 30% therein; and (ii) Guizhou Yuxing Environmental Protection Technology Co., Ltd. was owned as to 20% by Xiangtan Xingsha Resource Recycling and Utilization Co., Ltd. (湘潭市星砂資源再生利用有限公司), an Independent Third Party.

(3) As of the Latest Practicable Date, Guizhou Yuneng Mining Co., Ltd. was owned as to 33% by Guizhou Huazhong Enterprise Management Co., Ltd. (貴州華眾企業管理有限公司), an Independent Third Party.

Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately following the completion 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**].



Notes (1) to (3): see "Corporate Structure Immediately Before the [**REDACTED**]."