

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. You should read the entire Document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to invest in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary” in this Document.

OVERVIEW

We are the global leader and pioneer in mica-based composite materials and related products for new energy applications, distinguished by our technological innovation and industry expertise. According to Frost & Sullivan, the global and China market sizes of mica products in the new energy sector were RMB4.7 billion and RMB3.9 billion in 2025, respectively. We ranked first globally and in China in the mica product market for the new energy sector in terms of revenue in 2025, with market shares of 22.7% and 12.7%, respectively. Leveraging our robust technological innovation capabilities, customer-centric collaborative R&D and globally integrated lean manufacturing capabilities, we have established ourselves as a leading provider of high-performance mica-based composite materials and related products for the new energy sector. Our mica-based composite materials and related products are designed to provide thermal protection, flame-retardant insulation and electrical safety, and are primarily applied in new energy vehicles, household appliances and fire-resistant cable applications. Leveraging our cross-sector expertise in precision processing technologies and our close alignment with customer requirements, we have successfully expanded our business from mica products into key precision structural components for robotics. Looking ahead, as policies and safety standards become more stringent, downstream sectors are placing greater emphasis on safety. At the same time, advances in product performance and technology are enabling mica products to meet a broader range of application requirements. As a result, the use of mica products in the new energy sector is expected to expand into more scenarios, further increasing our addressable market.

As an industry pioneer, we have focused on the R&D, production and sales of mica materials for over two decades. Capitalizing on the rapid development of the new energy sector, we entered the NEV and energy storage sectors at an early stage, accurately identifying market opportunities and providing high-quality mica products for new energy applications. According to Frost & Sullivan, mica products began to see preliminary application in the power battery and energy storage sectors in 2012, and gradually achieved scaled adoption after 2016. Our Company commenced the research and development of mica products for new energy applications in 2013. Through the continuous accumulation of customer insights, we have deepened our understanding of industry trends and customer requirements. Supported by technological innovation and guided by customer requirements, we provide customers with comprehensive assurance across the value chain, from collaborative R&D to high-quality product delivery. We have focused on continuously enhancing product quality, improving operational efficiency, optimizing customer experience and exceeding customer expectations, thereby creating long-term and stable value for our global customers.

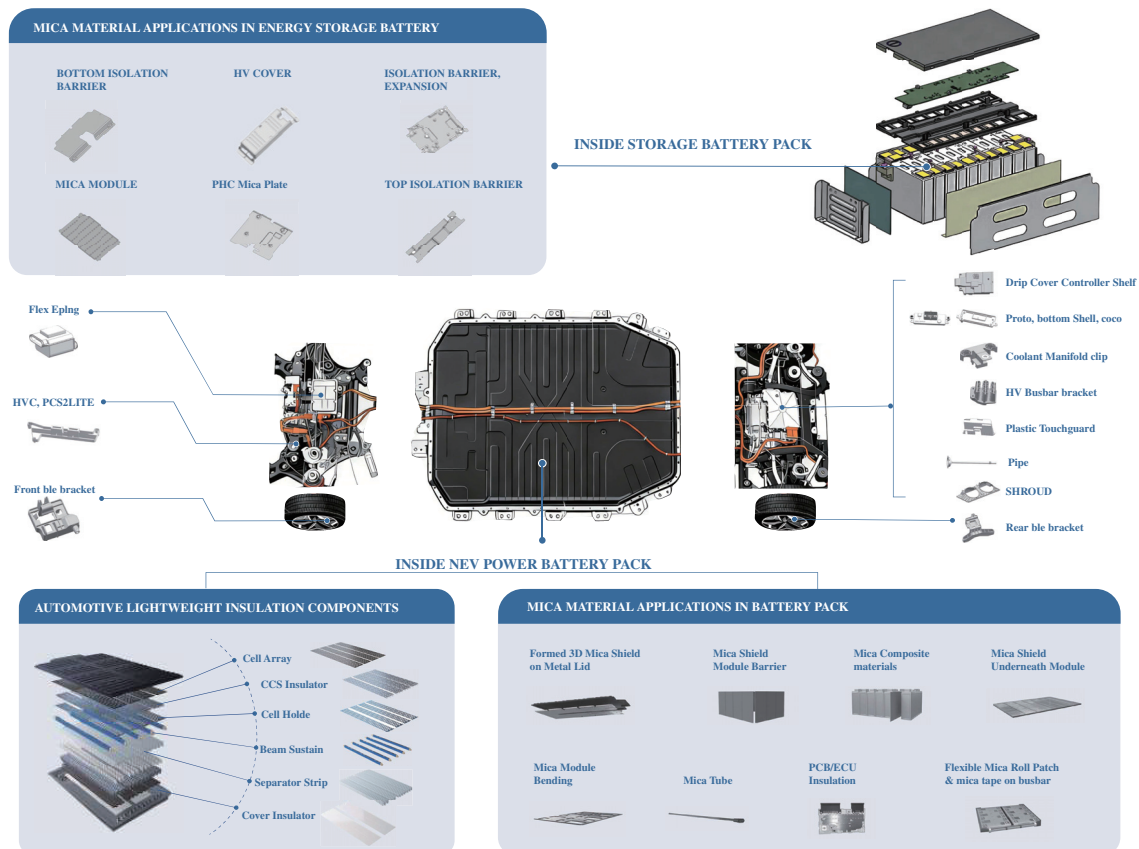
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We focus on technological innovation and precise market insight, leveraging our industry-leading position to provide customers with comprehensive assurance and collaborative R&D across the value chain. We strengthen lean manufacturing and pursue excellence in product quality, ensuring timely and high-quality delivery as well as robust assurance services, thereby deepening stable partnerships with leading global customers. Internationally, we have established a deep-processing base in Vietnam and a production base in Thailand, which was undergoing trial production as of the Latest Practicable Date. We also plan to further expand the production capacity of our Thailand production base to expand our global footprint and enhance our overseas manufacturing and delivery capacity. As of the Latest Practicable Date, our products were sold in more than 40 countries and regions worldwide.

Drawing on our established technological and manufacturing strengths and our quality customer resources in mica materials, we have strategically entered the market of key precision structural components for robotics through acquisitions. We will continue to strengthen product R&D and refine manufacturing processes in this segment, aiming to achieve large-scale and stable supply and to build a robust foundation for our key precision structural components business. At the same time, we are actively exploring new application scenarios for key precision structural components, such as their applications in robotics, commercial low-altitude economy and new types of industrial engineering applications, to comprehensively enhance our core competitiveness and drive sustainable growth.

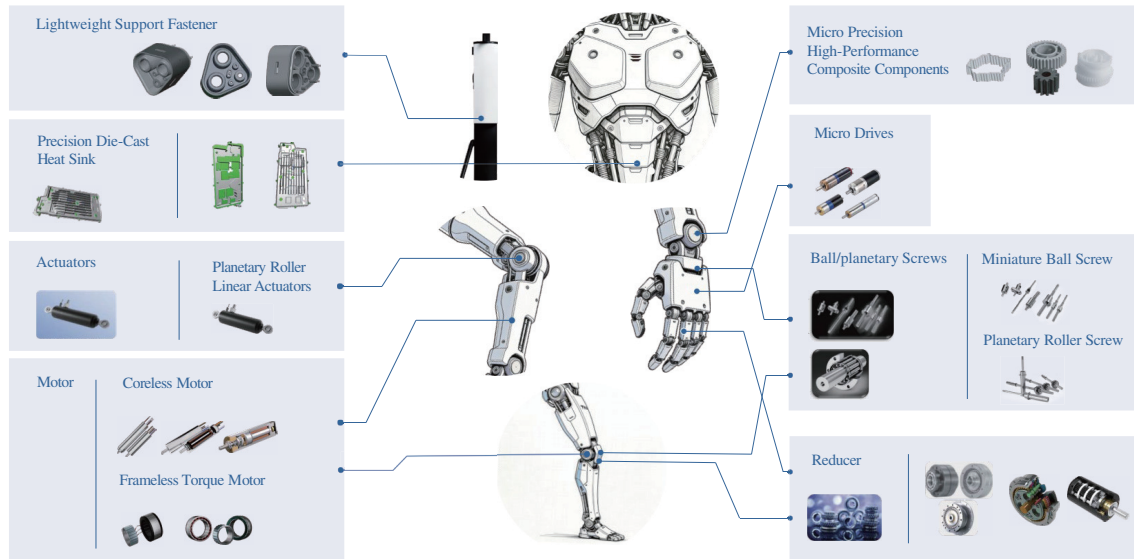
Our Product Portfolio

The following diagram illustrates our mica-based composite materials and related products for new energy applications:



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The following diagram illustrates our precision structural components and related products for key robotics applications:



Our Milestone

Since our conversion into limited liability company in 2004, we have focused on the research, development, production and sales of mica-based composite materials and related products. Over the past two decades, we have expanded our product applications from home appliances and cables to the new energy sector. Through ongoing technological innovation and close collaboration with leading customers, we have consistently strengthened our R&D and manufacturing capabilities, further consolidating our industry leadership. Our key development milestones are as follows:



Our Collaborations with Leading Customers

We have developed a deep understanding of customer requirements and can accurately identify new market opportunities, providing customers with end-to-end collaborative R&D and timely delivery. Through years of collaboration with leading industry participants, we have built a strong reputation and earned the trust of our customers, supporting a strong base of top-tier customers.

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In NEV applications, we have established long-term and stable business relationships with globally renowned NEV manufacturers and Tier-1 automotive component suppliers. In the power battery sector, we maintain partnerships with leading global power battery manufacturers. In energy storage battery applications, we have formed long-term cooperation with globally recognized energy storage battery suppliers. In addition, we also serve leading customers in other industrial applications, including home appliances and cables. We have established relationships with leading global humanoid robot manufacturers and certain NEV manufacturers. We are actively exploring new industry application areas and, going forward, will continue to focus on the development and delivery of products centering on core precision structural components and their extended assemblies and modules.

We adopt a customer-oriented approach, underpinned by technological innovation, to provide customers with products of outstanding quality, deepen existing customer relationships, expand our customer base and enhance our core competitiveness and market influence.

OUR STRENGTHS

We believe that our business success and leading market position are underpinned by the following key strengths: (i) established operating history and application know-how in mica-based composite materials for new energy applications; (ii) technology-driven collaborative R&D with customers; (iii) lean manufacturing and comprehensive quality management, enabling timely and reliable product delivery; (iv) integrated domestic and overseas manufacturing footprint for cost efficiency and global market responsiveness; (v) stable partnerships with leading global customers, jointly advancing industry innovation; (vi) strategic expansion into robotics precision components, building a synergistic second growth engine; and (vii) experienced, professional and forward-looking management team with strong accountability. See “Business — Our Strengths.”

OUR STRATEGIES

We plan to implement the following strategies to consolidate and enhance our leading position in the industry: (i) expand lean manufacturing capacity and sustain market leadership; (ii) accelerate R&D and product iteration, and deepen collaborative R&D with customers; (iii) strengthen global marketing network and expand customer base; (iv) enhance global operational and management efficiency through coordinated domestic and overseas operations; and (v) increase investment in mica-based composite materials and key precision structural components to support long-term growth. See “Business — Our Strategies.”

OUR BUSINESS MODEL

We specialize in the R&D, production and sales of (i) high temperature resistant mica-based composite materials and related products and (ii) key precision structural components. Our business is driven by technological innovation, close customer collaboration and integrated supply chain management, underpinned by our commitment to delivering advanced electrical and thermal insulation products to leading manufacturers worldwide, primarily in the new energy sector. Our product portfolio primarily comprises (i) mica-based composite materials and related products for new energy sector and other applications, and (ii) key precision structural components for robotics and other advanced automation applications. Leveraging collaborative R&D, lean manufacturing and a global supply chain and service network, we support customers through customized product development, enabling us to respond efficiently to their requirements on safety, performance and cost.

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During the Track Record Period, we generated revenue primarily through the sales of mica-based composite materials and related products, including safety component for NEVs, flame-retardant insulation parts for home appliances, flame-retardant insulation tapes for cables, among others. Following our acquisition of Dizi Precision in June 2025, we expanded our product portfolio to include precision structural components and began generating revenue from the sales of precision structural components, primarily for robots and advanced automation applications. The following table sets forth our revenue breakdown by product lines for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>									
Mica-based composite materials and related products	782,847	97.8	1,118,737	98.6	1,274,410	92.6	556,005	97.1	799,043	88.9
<i>Products for NEV applications</i>	<i>574,627</i>	<i>71.8</i>	<i>897,803</i>	<i>79.1</i>	<i>1,063,840</i>	<i>77.3</i>	<i>458,638</i>	<i>80.1</i>	<i>697,741</i>	<i>77.7</i>
Thermal runaway protection insulation component product	574,333	71.8	882,540	77.8	1,046,024	76.0	457,109	79.8	609,854	67.9
Lightweight structural component	294	0.0	15,263	1.3	17,816	1.3	1,529	0.3	87,887	9.8
Products for non-NEV applications	208,220	26.0	220,934	19.5	210,570	15.3	97,367	17.0	101,302	11.3
Home appliances	112,142	14.0	120,243	10.6	105,907	7.7	47,847	8.4	50,807	5.7
Cable	52,194	6.5	57,991	5.1	60,260	4.4	31,166	5.4	26,379	2.9
Other products ⁽¹⁾	43,884	5.5	42,700	3.8	44,403	3.2	18,354	3.2	24,116	2.7
Key precision structural components and related products	–	–	–	–	89,675	6.5	10,182	1.8	96,061	10.7
Motor	–	–	–	–	571	0.0	117	0.0	634	0.1
Linear actuators	–	–	–	–	41,291	3.0	3,140	0.5	45,955	5.1
Transmission components	–	–	–	–	35,952	2.6	5,664	1.0	36,384	4.0
Gearboxes	–	–	–	–	2,071	0.2	72	0.0	2,134	0.2
Auxiliary components	–	–	–	–	9,790	0.7	1,189	0.2	10,954	1.2
Others⁽²⁾	17,408	2.2	16,027	1.4	11,669	0.9	6,297	1.1	3,272	0.4
Total	800,255	100.0	1,134,764	100.0	1,375,754	100.0	572,484	100.0	898,376	100.0

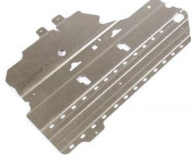
Notes:

- (1) Other products primarily comprised revenue from mica-based products for industrial, rail transit, 3C electronics, general machinery, and other industrial applications.
- (2) Others primarily comprised revenue from primary mica products and scrap sales.

OUR PRODUCTS

We provide advanced mica-based composite materials and related products mainly for NEVs, home appliances and cables, and manufacture key precision structural components primarily for robotics and advanced automation applications. The following chart presents our key application scenarios and related products:

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Key Application Areas	Products	Use Cases	Illustration
NEV	Thermal runaway protection insulation components, lightweight structural components, and other mica-based products	Thermal runaway protection and electrical insulation for battery cells, modules, battery packs and entire vehicles; insulation and structural support for autonomous driving systems, energy storage systems and low-altitude aircraft	
Home Appliances . . .	Mica heaters, mica boards, mica rolls and precision-machined mica components	Flame-retardant insulation for home appliances with heating functions, including microwave ovens, hair dryers, electric cookers, toasters and smart toilets	
Cable	Mica tapes	Flame-retardant insulation protection for cables and specialty cables	
Robotics Applications	Motors, linear actuators, transmission components, gearboxes and auxiliary components	High-precision motion control and structural components for robotics and automation equipment	

The following table sets forth our key operating metrics for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Shipment volume ⁽¹⁾ (tons) . . .	19,184	25,785	27,035	15,590
Number of customers during the period ⁽²⁾	1,281	1,350	1,904	1,476

Notes:

- (1) Shipment volume in 2025 and the six months ended June 30, 2026 included the shipment volume of precision structural components of Dizi Precision following the completion of its acquisition in June 2025.
- (2) The number of customers in 2025 and the six months ended June 30, 2026 included all customers of Dizi Precision following the completion of its acquisition in June 2025.

Our customer base remained relatively stable with a gradual upward trend during the Track Record Period. In addition, shipment volume increased significantly from 19,184 tons in 2023 to 27,035 tons in 2025, and reached 15,590 tons in the six months ended June 30, 2026, primarily due to higher sales of mica-based composite materials and related products. See “Business — Our Products.”

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OUR TECHNOLOGIES

Our core technologies are the foundation of our leadership in the high-temperature insulation and fire protection materials industry, enabling us to deliver advanced products for NEVs, energy storage batteries, specialty cables and industrial applications. Our core technologies are centered on advanced material formulation and performance verification for high-temperature, fire-retardant and electrically insulating mica-based composites, as well as precision processing and three-dimensional forming technologies that enable customized components for demanding new energy applications. Building on these capabilities, we have also established precision manufacturing and integration technologies for key structural components, supporting our expansion into robotics and other advanced industrial applications. Our core technologies are protected by a robust intellectual property portfolio and are continuously advanced through internal R&D and industry collaboration. They enable us to deliver reliable, advanced and customizable insulation and fire protection products for the world’s most demanding applications. See “Business — Our Technologies.”

RESEARCH AND DEVELOPMENT

We implement an application-oriented R&D strategy that combines technological innovation with close alignment to customer requirements. Our R&D efforts primarily focus on (i) the development and performance optimization of high-temperature, fire-retardant and electrically insulating mica-based composite materials for new energy applications, (ii) application-oriented development and precision processing technologies to support customized integration into battery systems and other industrial uses, and (iii) the development of key precision structural components for robotics and advanced automation applications. As of June 30, 2026, our R&D team consisted of 187 personnel, supported by standardized project management and commercialization processes. See “Business — Research and Development.”

SALES AND MARKETING

We have adopted a direct sales model to sell products to leading NEV manufacturers, cable manufacturers, major home appliance enterprises and trading companies. Leveraging our sales network, we effectively expand sales opportunities for our products and increase brand awareness. This approach also allows us to accumulate valuable market and process expertise, focusing on R&D-driven strategies to refine our products and nurture customer relationships. As of June 30, 2026, our sales team consisted of 91 personnel with strong technical knowledge of our product applications and experience in the electrical materials industry. We have established a comprehensive sales and marketing network covering both domestic and international markets, covering over 40 countries and regions worldwide, ensuring extensive market coverage and diverse customer touchpoints. During the Track Record Period, our export products consisted primarily of mica-based composite materials and related products. As advised by our PRC Legal Advisor, our products were not subject to export control restrictions under PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date; nor have we been notified by our customers of any control restrictions under PRC laws and regulations in connection with their purchase of our products. See “Business — Sales and Marketing.”

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OUR PRODUCTION

We operate a vertically integrated and globally coordinated manufacturing system supporting the production of our products. Our manufacturing capabilities encompass material compounding, precision processing, three-dimensional forming, and automated production, supported by lean manufacturing practices and comprehensive quality management systems to ensure product consistency, reliability, and timely delivery. As of June 30, 2026, we operated a network of production bases in China, including Jiaxing, Yueyang and Shanghai, as well as an overseas advanced processing base in Vietnam. These facilities are purpose-built to support different product categories, ranging from advanced mica-based composite materials and related products for new energy applications to key precision structural components for robotics and advanced automation. Our production system is designed to support scalable delivery and customized manufacturing requirements and operated at generally high utilization levels during the Track Record Period. Apart from China, we also exported our products from Singapore and Vietnam during the Track Record Period, primarily through our local entities or distribution networks established therein. However, our products exported from these countries do not constitute controlled items under local export control laws. During the Track Record Period and up to the Latest Practicable Date, we complied with applicable customs declaration and export procedures in Singapore and Vietnam, and had never been subject to any investigation, inquiry, penalty, or enforcement action by any local authorities in these jurisdictions regarding export control or trade non-compliance. Therefore, we are of the view that our activities are not subject to the export control measures of these countries. For details of our production capacity and utilization, see “Business — Our Production.”

OUR MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily comprise leading NEV manufacturers and battery manufacturers. In 2023, 2024, 2025 and the six months ended June 30, 2026, our revenue from the five largest customers in each year/period during the Track Record Period was RMB333.9 million, RMB480.7 million, RMB585.1 million and RMB428.5 million, respectively, accounting for 41.7%, 42.3%, 42.5% and 47.7% of our total revenue, respectively. In the same year/period, our revenue from the single largest customer in each year/period during the Track Record Period was RMB86.2 million, RMB140.8 million, RMB191.1 million and RMB103.5 million, accounting for 10.8%, 12.4%, 13.9% and 11.5% of our total revenue, respectively. Our major customers during the Track Record Period were primarily located in China, Germany, the United States and South Korea. See “Business — Our Customers.”

We primarily procure mica, fiberglass cloth, chemicals, adhesive tapes, foam materials, packaging materials and other ancillary materials. These items constitute our major cost components and are essential to supporting our manufacturing operations. Our suppliers primarily consist of manufacturers and trading companies. In 2023, 2024, 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers in each year/period during the Track Record Period were RMB101.3 million, RMB138.1 million, RMB155.2 million and RMB139.1 million, respectively, accounting for 30.7%, 27.7%, 30.4% and 35.8% of our total purchases, respectively. In the same year/period, purchases from our largest supplier in each year/period during the Track Record Period were RMB36.7 million, RMB42.0 million, RMB41.6 million and RMB69.0 million, accounting for 11.1%, 8.4%, 8.2% and 17.9% of our total purchases, respectively. Our major suppliers during the Track Record Period were primarily located in China and South Korea. During the Track Record Period, our overseas procurement primarily included foam tape, mica ore and precision components. Our major overseas suppliers were mainly located in regions including South Korea, Russia, and Hong Kong. Purchases from our overseas suppliers during the Track Record Period were RMB16.4 million, RMB28.3 million, RMB42.5 million and RMB19.5 million in 2023, 2024, 2025 and

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the six months ended June 30, 2026, accounting for 5.0%, 5.7%, 8.3% and 5.0% of our total purchases, respectively. To the best of our knowledge, we are not aware of any export control measures imposed on foam tape and mica ore by the countries and regions from which we imported such materials during the Track Record Period and up to the Latest Practicable Date. Nor have we received any notice from any supplier regarding control restrictions on foam tape and mica ore under the laws and regulations of Chinese mainland or other relevant countries. See “Business — Our Suppliers.”

INTELLECTUAL PROPERTY

We regard intellectual property as a strategic asset fundamental to our long-term competitiveness. As of the Latest Practicable Date, we held 283 patents in the PRC, including 74 invention patents, 201 utility model patents and eight design patents. We also held 10 software copyrights and 28 registered trademarks in the PRC. To safeguard our proprietary technologies and innovations, we have established a comprehensive intellectual property management system. This framework includes maintaining a robust portfolio of patents, software copyrights and registered trademarks, as well as implementing confidentiality agreements and internal policies to protect technical expertise and trade secrets. Our policies, such as the technical confidentiality policy and intellectual property confidentiality policy, are strictly enforced and supported by rigorous access controls and advanced information security measures for sensitive technical data. See “Business — Intellectual Property.”

COMPETITION

We primarily operate in the mica product market for new energy applications, which is characterized by high safety requirements, stringent customer certification processes and increasing market concentration as leading players expand production capacity and accelerate technology upgrading. In addition, our key precision structural components are applied in the embodied intelligence market, supporting motion transmission, structural stability and system integration in robotics and intelligent automation applications. Globally, the mica product market is increasingly segmented into applications for NEVs, power batteries and energy storage batteries, each exhibiting distinct competitive dynamics driven by material performance requirements and downstream technical standards. According to Frost & Sullivan, the global and China market sizes are expected to reach RMB4.7 billion and RMB3.9 billion in 2025, respectively, and further grow to RMB14.7 billion and RMB12.1 billion in 2030, representing CAGRs of 26.2% and 24.9% from 2026 to 2030, respectively.

Competition in the global market is primarily driven by the ability to deliver high-performance electrical insulation and flame-retardant materials that meet stringent safety standards, including thermal-runaway protection and high-voltage insulation. Leading Chinese manufacturers have secured their competitive position through long-term technological accumulation in mica paper formulation, process advancements in pulping, sheet forming and lamination, and consistent delivery performance across large-scale NEV and battery platforms. International competitors remain active in specialized high-end applications but generally lack cost-performance advantages in large-volume new energy use cases. See “Industry Overview.”

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Consolidated Statements of Profit or Loss

The following table sets forth a summary of our results of operations for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Revenue	800,255	1,134,764	1,375,754	572,484	898,376
Cost of sales	(517,996)	(771,356)	(920,421)	(382,240)	(592,922)
Gross profit	282,259	363,408	455,333	190,244	305,454
Other income, gains and losses	33,016	41,143	49,809	26,907	(9)
Selling and marketing expenses	(20,738)	(26,845)	(34,595)	(14,793)	(24,988)
Administrative expenses	(48,640)	(50,806)	(75,620)	(32,923)	(50,266)
Research and development expenses	(45,106)	(61,311)	(65,471)	(26,398)	(47,614)
Impairment losses on financial assets, net	(202)	(3,571)	(5,121)	434	(3,004)
Other expenses	(565)	(945)	(567)	(444)	(1,320)
Share of profits of an associate	—	—	4,895	—	6,033
Finance costs	(4,693)	(1,227)	(8,402)	(2,026)	(6,628)
Profit before tax	195,331	259,846	320,261	141,001	177,658
Income tax expenses	(23,529)	(29,596)	(37,654)	(17,261)	(21,374)
Profit for the year/period	171,802	230,250	282,607	123,740	156,284

See “Financial Information — Description of Major Components of Our Results of Operations.”

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Consolidated Statements of Financial Position

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	501,728	791,976	1,497,214	1,619,472
Total current assets	1,453,142	1,421,032	1,750,854	1,823,166
Total current liabilities	254,417	327,985	1,057,115	1,184,200
Total non-current liabilities . .	39,011	54,128	58,592	57,906
Net current assets	1,198,725	1,093,047	693,739	638,966
Net assets	1,661,442	1,830,895	2,132,361	2,200,532

Our net current assets decreased by 8.8% from RMB1,198.7 million in 2023 to RMB1,093.0 million in 2024, primarily due to (i) the decrease in bank and cash balances attributable to our cash management policy; and (ii) the increase in trade and notes payables to our suppliers for the raw materials related to our mica-based composite materials, which were partially offset by the increase in financial assets at fair value through profit or loss. Our current assets decreased by 2.2% from RMB1,453.1 million as of December 31, 2023 to RMB1,421.0 million as of December 31, 2024, primarily due to the decrease in financial assets at fair value through other comprehensive income and bank and cash balances which was partially offset by the increase in financial assets at fair value through profit or loss.

Our net current assets decreased by 36.5% from RMB1,093.0 million in 2024 to RMB693.7 million as of December 31, 2025, primarily due to (i) the increase in interest bearing bank and other borrowings; and (ii) the decrease in bank and cash balances influenced by our cash management policy, which were partially offset by the increase in financial assets at fair value through profit or loss and interests in an associate. Our current assets increased by 23.2% from RMB1,421.0 million as of December 31, 2024 to RMB1,750.9 million as of December 31, 2025, primarily due to the increase in financial assets at fair value through profit or loss, which was partially offset by the decrease in bank and cash balances.

Our net current assets decreased by 7.9% from RMB693.7 million as of December 31, 2025 to RMB639.0 million as of June 30, 2026, primarily due to (i) the increase in trade and notes payables; and (ii) the decrease in bank and cash balances, which were partially offset by the increase in prepayments and other receivables.

Our current assets increased by 4.1% from RMB1,750.9 million as of December 31, 2025 to RMB1,823.2 million as of June 30, 2026, primarily due to the increase in prepayments and other receivables and inventories, which was partially offset by the decrease in bank and cash balances and financial assets at fair value through profit or loss.

Our net assets increased by 10.2% from RMB1,661.4 million as of December 31, 2023 to RMB1,830.9 million as of December 31, 2024, primarily due to profit for the year 2024 of RMB230.3 million and total comprehensive income for the year 2024 of RMB230.0 million, partially offset by dividends declared of RMB39.1 million. Our net assets increased by 16.5% from RMB1,830.9 million as of December 31, 2024 to RMB2,132.4 million as of December 31, 2025, primarily due to profit for the year 2025 of RMB282.6 million partially offset by dividends declared of RMB70.7 million.

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Our net assets increased by 3.2% from RMB2,132.4 million as of December 31, 2025 to RMB2,200.5 million as of June 30, 2026, primarily due to the increase in property, plant and equipment, which was partially offset by the increase in trade and notes payables and the decrease in bank and cash balances.

See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position.”

Consolidated Statements of Cash Flow

The following table sets forth our cash flow for the years /periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Cash generated from					
operations	234,007	229,641	296,485	118,099	274,428
Bank interest received . . .	9,013	17,403	15,821	3,552	8,432
Income tax paid	(21,892)	(37,481)	(33,210)	(15,368)	(27,529)
Net cash generated from					
operating activities	221,128	209,563	279,096	106,283	255,331
Net cash used in investing					
activities	(54,311)	(566,990)	(834,146)	(298,742)	(247,882)
Net cash generated					
from/(used in) financing					
activities	788,486	(84,973)	446,588	197,036	(106,412)
Net increase/(decrease) in					
cash and cash					
equivalents	955,303	(442,400)	(108,462)	4,577	(98,963)
Effect of foreign					
exchange rate changes .	196	3,555	(1,544)	(322)	(7,319)
Cash and cash equivalents					
at beginning of					
year/period	67,172	1,022,671	583,826	583,826	473,820
Cash and cash					
 equivalents at end of					
 year/period	1,022,671	583,826	473,820	588,081	367,538
Analysis of cash and cash					
equivalents					
Bank and cash balances .	1,022,671	583,826	474,103	588,081	367,538
Restricted cash	—	—	(283)	—	—
	1,022,671	583,826	473,820	588,081	367,538

See “Financial Information — Liquidity and Capital Resources — Cash Flow.”

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated:

	Year ended/As of December 31,			Six months ended/As of June 30,
	2023	2024	2025	2026
Revenue growth (%)	19.89	41.80	21.24	56.93
Gross profit margin (%) ⁽¹⁾ . . .	35.27	32.02	33.10	34.00
Current ratio (times) ⁽²⁾	5.71	4.33	1.66	1.54
Quick ratio (times) ⁽³⁾	5.04	3.57	1.30	1.17

Notes:

- (1) Calculated by dividing gross profit by revenue for the year/period.
- (2) Calculated by dividing current assets by current liabilities as of the same date.
- (3) Calculated by dividing total current assets (excluding inventories) by total current liabilities as of the end of the year/period.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in the section headed “Risk Factors” in this Document. You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include: (i) the mica product market in the new energy sector is highly competitive, and we may not be able to compete effectively; (ii) we may not be able to timely and cost-effectively develop advanced technologies and products that satisfy evolving customer, regulatory and industry requirements; (iii) the NEV sector adopts alternative battery technologies or insulation materials, and demand for our mica-based composite materials and related products may decline; (iv) our historical growth may not be indicative of our future performance; (v) any unexpected disruption at our production facilities could adversely affect our ability to deliver customized products; (vi) we are exposed to risks associated with our global operations, and changes in the global economic environment, trade policies or diplomatic relationships may result in fluctuations in demand for our products; (vii) our business is subject to customer concentration risk; (viii) any failure to maintain high standards of technical support, customization or after sales service may undermine our customer relationships; (ix) our products may fail to meet required specifications or may contain defects, which could result in safety issues, product recalls, liability claims or loss of business; and (x) we have made, and expect to continue making, significant investments in R&D, which may adversely affect our profitability and operating cash flow, and such investments may not achieve the desired outcomes. See “Risk Factors.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. GE Tairong and Ms. CAO Meisheng held an aggregate of approximately 38.38% of the total issued share capital of our Company, comprising approximately (i) 32.52% direct interest held by Mr. GE Tairong, (ii) 4.48% direct interest held by Ms. CAO Meisheng, (iii) 0.76% indirect interest held by Shanghai Chaotai, a limited partnership owned as to 33.07% by Ms. CAO Meisheng as the general partner, and (iv) 0.62% indirect interest held by Shanghai Congjiong, a limited partnership owned as to 7.34% by Ms. CAO Meisheng as the general partner. Mr. GE Tairong and Ms. CAO Meisheng are husband and wife.

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Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. GE Tairong and Ms. CAO Meisheng will hold an aggregate of approximately [REDACTED]% of the total issued share capital of our Company, comprising approximately (i) [REDACTED]% direct interest held by Mr. GE Tairong, (ii) [REDACTED]% direct interest held by Ms. CAO Meisheng, (iii) [REDACTED]% indirect interest held by Shanghai Chaotai, and (iv) [REDACTED]% indirect interest held by Shanghai Congjiong. Therefore, Mr. GE Tairong and Ms. CAO Meisheng will control an aggregate of more than 30% of the voting power at general meetings of our Company. Accordingly, Mr. GE Tairong, Ms. CAO Meisheng, Shanghai Chaotai and Shanghai Congjiong will together constitute a group of Controlling Shareholders upon the [REDACTED].

THE A-SHARE LISTING AND REASONS FOR THE H SHARE [REDACTED]

Since August 1, 2023, the A Shares of our Company have been listed on the Shanghai Stock Exchange. Our Directors confirm that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of our Company with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to the compliance record of our Company on the Shanghai Stock Exchange that should be brought to the attention of the Hong Kong Stock Exchange or potential investors of the [REDACTED]. Our PRC Legal Advisor is of the view that, since the A-Share Listing and up to the Latest Practicable Date, there had been no instances of material non-compliance of our Company with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor’s view above, no material matter has come to the Sole Sponsor’s attention that would cause them to disagree with our Directors’ confirmation with regard to the compliance records of our Company on the Shanghai Stock Exchange.

Our Company seeks to [REDACTED] its H Shares on the Hong Kong Stock Exchange to further enhance its capital strength and overall competitiveness, fully leverage the resources and institutional advantages of the international capital markets, optimize the capital structure, broaden diversified financing channels, and comprehensively improve its overall strength. See “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” in this Document for more details.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED], after deducting the [REDACTED], fees and estimated expenses paid and payable by us in connection with the [REDACTED], assuming no exercise of the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]).

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes: (i) approximately [REDACTED]%, or HK\$[REDACTED] million of the net [REDACTED], will be used to expand global production capacity and build intelligent manufacturing systems, in line with our strategy to capture industry growth and enhance supply chain resilience; (ii) approximately [REDACTED]%, or HK\$[REDACTED] million of the net [REDACTED], will be used for strategic investments and acquisitions to strengthen our technology capabilities and expand our business portfolio in line with our growth strategy; (iii) approximately [REDACTED]%, or HK\$[REDACTED] million of the net [REDACTED], will be used to accelerate the R&D and innovation for precision components for robotics and

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safety structural parts for new energy applications, supporting product iteration and technology leadership; (iv) approximately [REDACTED]%, or HK\$[REDACTED] million of the net [REDACTED], will be used to strengthen our global marketing network and enhance management effectiveness, supporting our international expansion and operational excellence; and (v) approximately [REDACTED]%, or HK\$[REDACTED] million of the net [REDACTED], will be used for supplementing corporate working capital and other general uses. See “Future Plans and Use of [REDACTED].”

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [REDACTED] is completed and [REDACTED] H Shares are newly issued in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED]:

	Based on the [REDACTED] of HK\$[REDACTED] per Share	Based on the [REDACTED] of HK\$[REDACTED] per Share
Total market [REDACTED] considering both A Shares and H Shares	HK\$[REDACTED]	HK\$[REDACTED]
Market [REDACTED] of our H Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Market [REDACTED] of our A Shares ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽³⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

Notes:

- (1) The calculation of market [REDACTED] is based on the assumption that [REDACTED] H Shares are expected to be in issue immediately after completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (2) Calculated based on the average closing price of the A Shares of RMB[REDACTED] (i.e. HK\$[REDACTED] calculated based on RMB[0.8650] to HK\$1.00) per share for the five business days immediately preceding the Latest Practicable Date and the total share capital of [472,843,878] A Shares as of the Latest Practicable Date and excluding [REDACTED] treasury shares.
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares (including [REDACTED] A-shares but excluding [REDACTED] treasury shares held by the Company in treasury and [REDACTED] restricted shares which have been transferred from the Company's treasury share account to the dedicated securities account for the share option scheme) and [REDACTED] H-shares were in issue as at 30 June 2026, assuming that the [REDACTED] had been completed on 30 June 2026 but does not take into account of any Shares which may be [REDACTED] and issued by the Company upon the exercise of the [REDACTED].

DIVIDENDS

We currently have a formal dividend policy with pre-determined payout ratios for the three years following the listing on the Shanghai Stock Exchange, which provides that, the (i) cumulative cash dividends over any three consecutive years shall not be less than 30% of the average annual distributable profits realised over those three years, and (ii) annual cash dividends shall not be less than 10% of the distributable profits realised in that year when cash dividend conditions are met. On September 21, 2023, we declared interim dividends of RMB14.0 million to our Shareholders, which were paid on September 27, 2023. On June 12, 2024, we declared a cash dividend of RMB39.1 million to our Shareholders which were paid on June 18, 2024, and a non-cash dividend by converting capital reserves into 83,742,150 Shares. On June 11, 2025, we declared cash dividends of RMB70.7 million to our

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Shareholders, which were paid on June 17, 2025. On April 21, 2026, we declared a cash dividend of RMB83.7 million to our shareholders and a non-cash dividend in the form of a capital reserve conversion into 109,117,818 shares of share capital, which were paid on May 15, 2026. Any future determination to pay dividends will be made at the discretion of our Board of Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant. As advised by our PRC Legal Advisor, any future net profit that we make shall be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital. See “Financial Information — Dividends.”

[REDACTED]

[REDACTED] consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] of approximately RMB[REDACTED] (HK\$[REDACTED]) (based on the mid-point of the indicative [REDACTED] range and assuming the [REDACTED] is not exercised), which accounts for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. We estimate the [REDACTED] to consist of approximately RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED] and RMB[REDACTED] (HK\$[REDACTED]) in [REDACTED]. Among the total [REDACTED], approximately RMB[REDACTED] (HK\$[REDACTED]) will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the [REDACTED], and the remaining RMB[REDACTED] (HK\$[REDACTED]) will be expensed in our consolidated statements of comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

During the Track Record Period and up to the Latest Practicable Date, we maintained steady growth in our business operations. During the seven months ended July 31, 2026, the sales volume of our mica-based composite materials and related products increased to 18,786.2 tons, compared with approximately 14,601.5 tons in the same period of 2025. In addition, the sales volume of our key precision structural components increased to 20.1 tons during the seven months ended July 31, 2026, demonstrating further development of the precision structural components segment following the completion of the acquisition of Dizi Precision in June 2025. During the same period, our revenue and gross profit continued to increase, primarily driven by sustained demand from the new energy sector.

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 June 30, 2026 (being the end of the Track Record Period) and there is no event since June 30, 2026 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.