

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The history of our Group traces back to the late 1990s, when our Company’s predecessor, Jiaxing Rongtai Electrical Equipment Factory* (嘉興市榮泰電工器材廠) (formerly known as Jiaxing Fengqiao Engineering Machine Factory* (嘉興市鳳橋工程機械廠)) was established.

Reformed into a limited liability company in Jiaxing City, Zhejiang Province and after over 20 years of development, under the leadership of Ms. CAO Meisheng and Mr. GE Tairong, our Company has become 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.

On August 1, 2023, the A Shares of our Company were listed on the Shanghai Stock Exchange (stock code: 603119.SH).

MILESTONES

The following sets out the summary of our Company’s key business development milestones:

Year	Milestone
1998	Our Company’s predecessor was established in Jiaxing City, Zhejiang Province on April 22, 1998.
2004	Our Company underwent a shareholding reform and was converted into a limited liability company.
2013	We begin to develop fire-safety components for new energy vehicles.
2018	We begin to provide customized thermal runaway management solutions for major automotive manufacturers in the new energy sector.
	We established Rongtai Hunan.
2021	Our Company was converted into a joint stock company with limited liability.
2022	We commenced operations at our deep-processing and manufacturing base in Vietnam
2023	The A Shares of our Company were listed on the Shanghai Stock Exchange (stock code: 603119.SH).
2024	We expanded our global footprint to Thailand and started the layout of our own production base there.
2025	We completed acquisition of Dizi Precision and successfully expanded our business from mica products into key precision structural components for robotics.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment/incorporation and date of establishment/incorporation of our Company’s subsidiaries that made a material contribution to our Group’s results of operations during the Track Record Period.

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to the Company	Principal business activities
Rongtai Hunan . . .	PRC	April 3, 2018	100.00%	Manufacturing and sale of mica-based composite materials and related products
Dizi Precision ⁽¹⁾ . .	PRC	September 24, 2008	51.00%	R&D, design, manufacturing and sale of precision structural components

Note:

- (1) We acquired 51.00% equity interest of Dizi Precision and consolidated its financial results into our Group’s consolidated financial statements in June 2025. See “— Acquisition of Dizi Precision” in this section for details.

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Early Development and Conversion into a Joint Stock Company in 2021

Jiaxing Fengqiao Engineering Machine Factory* (嘉興市鳳橋工程機械廠) could trace its history to January 1994 as initially a township collectively-owned enterprise (村辦集體所有制企業) under the laws of the PRC principally engaged in small-scale manufacturing of vehicle frames, with its registered capital wholly funded by the local village collective of Yaochi Village, Fengqiao Town, Jiaxing, Zhejiang Province (浙江省嘉興市鳳橋鎮瑤池村村集體). Subsequently in October 1997, it was reformed into a shareholding cooperative enterprise (股份合作制企業) under the laws of the PRC and introduced three individual contributors, WANG Zhongping (王忠平) (then person-in-charge of our predecessor), YE Zhiwen (葉志文) and SHEN Baigen (沈佰根), each being an Independent Third Party and holding 32%, 29% and 29% equity interest therein, respectively, with the remaining 10% equity interest owned by the original local village collective. At that stage, its principal business activities expanded to manufacturing and sales of construction machinery and related accessories, serving local customers in the township level. In January 2003, following arm’s length negotiations, the then shareholders of Jiaxing Fengqiao Engineering Machine Factory* transferred all the equity interest to Mr. GE Tairong, Ms. CAO Meisheng and CAO Wanrong (曹萬榮) at a total consideration of RMB300,000, upon completion of which Mr. GE Tairong and Ms. CAO Meisheng held an aggregate of 58% equity interest in our predecessor. They have since been responsible for the strategic direction and management of our predecessor, and attributable to their business insights, the principal business activities of our predecessor shifted to the R&D, manufacturing and sales of mica-based composite materials and related products, which continued to be our Group’s core business line up to the Latest Practicable Date. Accordingly, our predecessor was renamed as Jiaxing Rongtai Electrical Equipment Factory* (嘉興市榮泰電工器材廠).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In September 2004, under the leadership of Mr. GE Tairong and Ms. CAO Meisheng, our Company’s predecessor went through a shareholding reform and was converted into a limited liability company under the laws of the PRC.

Upon completion of the shareholding reform on September 12, 2004, our Company was renamed as Jiaxing Rongtai Electric Material Company Limited* (嘉興市榮泰電工器材有限公司). The then shareholding structure of our Company was as follows:

Shareholder	Equity Interest	Shareholding percentage
Mr. GE Tairong ⁽¹⁾	1,080,000	60.00%
CAO Wanrong (曹萬榮) ⁽²⁾	288,000	16.00%
Ms. CAO Meisheng ⁽¹⁾	180,000	10.00%
YANG Yinping (楊引萍) ⁽³⁾	126,000	7.00%
Mr. GE Tailiang ⁽⁴⁾	126,000	7.00%
Total	1,800,000	100.00%

Notes:

- (1) Mr. GE Tairong and Ms. CAO Meisheng are husband and wife.
- (2) Cao Wanrong was a then director of our company upon completion of shareholding reform.
- (3) Yang Yinping was a then director of our company upon completion of shareholding reform.
- (4) Mr. GE Tailiang is Mr. GE Tairong’s brother.

Between 2004 and 2018, our Company underwent several rounds of capital increases, upon completion of which its registered capital increased to RMB80,000,000 in June 2018.

On August 24, 2021, our Company was converted into a joint stock company with limited liability and was renamed as Zhejiang Rongtai Electric Material Co., Ltd.* (浙江榮泰電工器材股份有限公司). Upon completion of the conversion, our Company had a total share capital of RMB80,000,000 divided into 80,000,000 Shares. The shareholding structure of our Company immediately following its conversion into a joint stock company was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. GE Tairong	37,671,891	47.09%
Mr. GE Tailiang	6,460,058	8.08%
Ms. CAO Meisheng	5,187,837	6.48%
YANG Yinping	4,438,640	5.55%
TANG Wanming (唐萬明) ⁽¹⁾	4,198,331	5.25%
CHEN Youxi (陳幼兮) ⁽²⁾	3,533,949	4.42%
CHEN Jiaxing (陳駕興) ⁽³⁾	3,533,949	4.42%
Mr. ZHENG Minmin (鄭敏敏) ⁽⁴⁾	2,827,159	3.53%
Ms. DAI Dongya (戴冬雅) ⁽⁴⁾	2,827,159	3.53%
Shanghai Chaotai	880,000	1.10%
Shanghai Congjiong	720,000	0.90%
Other Shareholders ⁽⁵⁾	7,721,027	9.65%
Total	80,000,000	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) TANG Wanming was a former general manager of our Company.
- (2) CHEN Youxi was then a supervisor of Rongtai Hunan.
- (3) CHEN Jiaying was then the general manager of Rongtai Hunan.
- (4) Mr. ZHENG Minmin is an executive Director and general manager of our Company. Ms. DAI Dongya is the mother of Mr. ZHENG Minmin.
- (5) Other Shareholders include four individual and institutional Shareholders, each being an Independent Third Party and held less than 4.00% of our Company’s total issued Shares at that time.

After our Company’s conversion into a joint stock company, our Company underwent further capital increases, upon completion of which and immediately prior to the listing of A Shares on the Shanghai Stock Exchange, the total share capital of our Company increased to RMB210,000,000 and its shareholding structure was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. GE Tairong	90,977,616	43.32%
Mr. GE Tailiang	15,601,040	7.43%
Yibin Chendao New Energy Industrial Equity Investment Partnership Enterprise (宜賓晨道新 能源產業股權投資合夥企業(有限合夥)) (“Yibin Chendao”) ⁽¹⁾	15,120,001	7.20%
Ms. CAO Meisheng	12,528,626	5.97%
YANG Yinping	10,719,316	5.10%
TANG Wanming	10,138,969	4.83%
CHEN Youxi	8,534,487	4.06%
CHEN Jiaying	8,534,487	4.06%
Mr. ZHENG Minmin	6,827,589	3.25%
Ms. DAI Dongya	6,827,589	3.25%
Shanghai Chaotai	2,125,200	1.01%
Shanghai Congjiong	1,738,800	0.83%
Other Shareholders ⁽²⁾	18,646,280	9.68%
Total	210,000,000	100.00%

Notes:

- (1) Yibin Chendao is an institutional investor. Yibin Chendao is a limited partnership incorporated in the PRC and principally engaged in equity investment. As of the Latest Practicable Date, Yibin Chendao was owned as to approximately (i) 0.03% by its sole general partner, Chendao Capital LLP (寧波梅山保稅港區晨道投資合夥企業(有限合夥)), whose general partner is Ningbo Meishan Bonded Port Area Yitian Investment Co., Ltd. (寧波梅山保稅港區倚天投資有限公司), which was further held as to 67.00% and controlled by GUAN Chaoyu (關朝餘); (ii) 44.10% by its limited partner, Yibin Industrial Investment Group Co., Ltd. (宜賓市產業投資集團有限公司, formerly known as Yibin Emerging Industrial Investment Group Co., Ltd. (宜賓市新興產業投資集團有限公司)), which is indirectly held as to 90.00% and ultimately controlled by the State Owned Assets Supervision and Administration Commission of Yibin Municipal Government (宜賓市政府國有資產監督管理委員會); and (iii) 55.87% by three other limited partners, each holding less than 30% partnership interest therein. To the best knowledge of our Company, each of the aforementioned entities and individuals is an Independent Third Party.
- (2) Other Shareholders include five individual and institutional Shareholders, each being an Independent Third Party and holding less than 4.00% of our Company’s total issued Shares at that time.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Listing on the Shanghai Stock Exchange

On August 1, 2023, the A Shares of our Company were listed on the Shanghai Stock Exchange (stock code: 603119.SH) (the “**A-Share Listing**”), pursuant to which, our Company offered a total of 70,000,000 A Shares, representing approximately 25% of our Company’s enlarged share capital immediately following the completion of the A-Share Listing. Immediately upon completion of the A-Share Listing, the share capital of our Company increased to RMB280,000,000, and the shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Shareholding percentage
Mr. GE Tairong	90,977,616	32.49%
Mr. GE Tailiang	15,601,040	5.57%
Yibin Chendao	15,120,001	5.40%
Ms. CAO Meisheng	12,528,626	4.47%
YANG Yinping	10,719,316	3.83%
TANG Wanming	10,138,969	3.62%
CHEN Youxi	8,534,487	3.05%
CHEN Jiaying	8,534,487	3.05%
Mr. ZHENG Minmin	6,827,589	2.44%
Ms. DAI Dongya	6,827,589	2.44%
Shanghai Chaotai	2,125,200	0.76%
Shanghai Congjiong	1,738,800	0.62%
Other Shareholders ⁽¹⁾	20,326,280	7.26%
Other A Shareholders ⁽²⁾	70,000,000	25.00%
Total	280,000,000	100.00%

Notes:

- (1) These other Shareholders included five existing individual and institutional Shareholders prior to our A-Share Listing, each being an Independent Third Party and holding less than 4.00% of our Company’s total issued Shares at that time.
- (2) Other A Shareholders included holders of A Shares issued in connection with our A-Share Listing, each holding less than 3.00% of our Company’s total issued Shares at that time.

Profit Distribution and Capitalization of Capital Reserve

Pursuant to the resolution approved at our Company’s 2023 annual general meeting, our Company distributed a cash dividend of RMB0.14 per Share (tax inclusive) to all Shareholders based on the total share capital as of the equity record date (excluding treasury shares). In addition, our Company capitalized its capital reserve into share capital at the rate of 0.3 additional Shares for each Share held. No bonus Shares were issued. Prior to the equity distribution, our Company had 280,000,000 A Shares in issue. After deducting 859,500 A Shares held as treasury shares, 83,742,150 A Shares were issued through the capitalization of capital reserve, increasing the total share capital of our Company to 363,742,150 A Shares with nominal value of RMB1.00 each.

Pursuant to the resolution approved at our Company’s 2025 annual general meeting, our Company distributed a cash dividend of RMB0.23 per Share (tax inclusive) to all Shareholders based on the total share capital as of the equity record date (excluding treasury shares). In addition, our Company capitalized its capital reserve into share capital at the rate of 0.3 additional Shares for each Share held. No bonus Shares were issued. Prior to the equity distribution, our Company had 363,742,150 A Shares in issue. After deducting 16,090 A Shares

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

held as treasury shares, 109,117,818 A Shares were issued through the capitalization of capital reverse, increasing the total share capital of our Company to 472,859,968 A Shares with nominal value of RMB1.00 each.

Acquisition of Dizi Precision

On April 22, 2025, our Company entered into an equity acquisition agreement with the then six shareholders of Dizi Precision (collectively, the “**Dizi Transferors**”), each being an Independent Third Party at the time of the acquisition, pursuant to which the Dizi Transferors agreed to transfer, and our Company agreed to purchase, an aggregate of approximately 41.20% equity interest in Dizi Precision at a consideration of RMB164,800,000. Concurrently, our Company subscribed for the increased registered capital of RMB14,896,000 of Dizi Precision at a consideration of RMB80,000,000. The considerations were determined after arm’s length negotiations among the parties with reference to the value of Dizi Precision as of February 28, 2025 as appraised by an independent valuer. Dizi Precision is principally engaged in R&D, design, manufacturing and sale of precision structural components.

Upon completion of the equity transfer and capital increase, our Company held 51.00% equity interest in Dizi Precision and consolidated its financial results into our Group’s consolidated financial statements. Accordingly, Dizi Precision became a subsidiary of our Company. Our Directors believe that the acquisition of Dizi Precision strengthened our capabilities in high-precision transmission technologies and advanced our expansion along the industrial value chain.

The aforementioned acquisition and equity transfer had been properly and legally completed and settled on June 12, 2025, and all relevant approvals required from the relevant authorities had been obtained as of the Latest Practicable Date.

Acquisition of Minority Interest in Kingly Gear

On July 14, 2025, our Company entered into an equity acquisition agreement with the then eight shareholders of Guangdong Kingly Gear Co., Ltd.* (廣東金力智能傳動技術股份有限公司) (“**Kingly Gear**”) (the “**Kingly Gear Transferors**”), each being an Independent Third Party at the time of the acquisition, pursuant to which the Kingly Gear Transferors agreed to transfer, and our Company agreed to purchase, an aggregate of approximately 9.97% equity interest in Kingly Gear at a consideration of RMB199,336,430. Concurrently, our Company subscribed for the increased registered capital of RMB3,724,000 of Kingly Gear at a consideration of RMB100,659,720. The considerations were determined after arm’s length negotiations among the parties with reference to the value of Kingly Gear as of April 30, 2025 as appraised by an independent valuer. Kingly Gear is principally engaged in the R&D, manufacturing and sale of micro intelligent transmission modules, micro gear reduction motors and micro motors.

Upon completion of such equity transfer and capital increase, our Company held 15.00% equity interest in Kingly Gear. Our Directors believe that the acquisition of minority interest in Kingly Gear expanded the layout of the industry chain of our Company.

The aforementioned acquisition and equity transfer had been properly and legally completed and settled on July 16, 2025, and all relevant approvals required from the relevant authorities had been obtained as of the Latest Practicable Date.

Our Directors confirm that the aforesaid acquisitions during the Track Record Period did not give rise to any disclosure requirements pursuant to Rule 4.05A of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR ACQUISITION, MERGER AND DISPOSAL

Throughout the Track Record Period and up to the Latest Practicable Date, our Company did not conduct any material acquisitions, mergers or disposals.

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.

LOCK-UP UNDERTAKING

In relation to the listing of our A Shares on the Shanghai Stock Exchange and as a reflection of their confidence in our Company’s business prospects, each of our Controlling Shareholders and Mr. GE Tailiang has provided a lock-up undertaking, pursuant to which his/her/it agreed not to dispose of the A Shares of our Company held by his/her/it from the date of our Company’s listing on the Shanghai Stock Exchange and up to the 36-month anniversary thereof. Such lock-up undertakings have expired on August 3, 2026. As of the Latest Practicable Date, no other A Shares of our Company were subject to any lock-up arrangements in connection with our A Share listing.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

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.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised) will be counted towards the public float for the purpose of Rule 19A.13A(2) of the Listing Rules, representing approximately [REDACTED]% of our enlarged share capital (excluding 16,090 A Shares repurchased by our Company as treasury shares as of the Latest Practicable Date), which satisfies the prescribed percentage of the H Shares for which the [REDACTED] is sought that are held by the public under Rule 19A.13A(2)(a) of the Listing Rules.

Satisfaction of the Free Float Requirement

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.

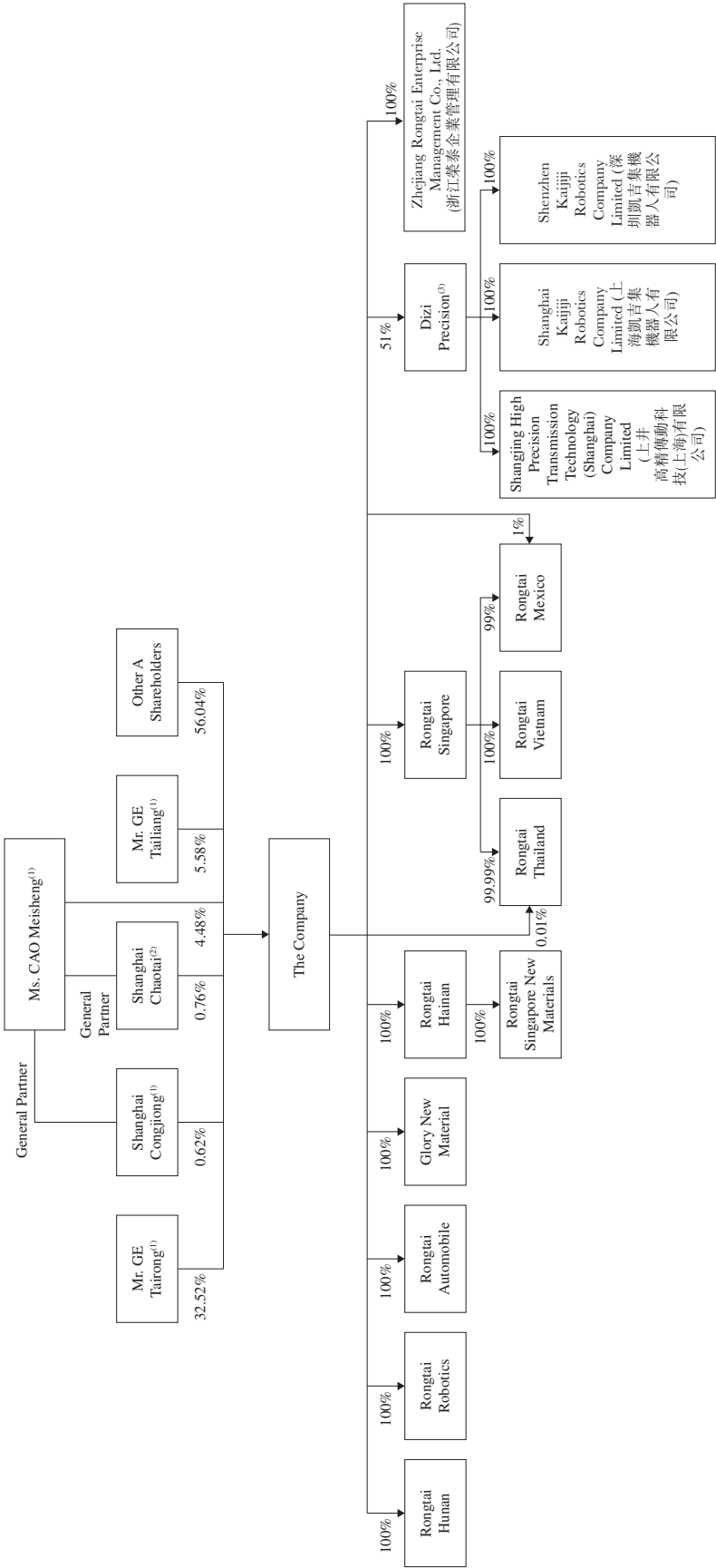
Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low end of the indicative [REDACTED] range, our Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Mr. GE Tairong and Ms. CAO Meisheng are husband and wife. Mr. GE Tailiang is Mr. GE Tairong's brother. As of the Latest Practicable Date, Shanghai Congjiong was owned as to approximately 7.34% by Ms. CAO Meisheng as its general partner, 50.23% by Mr. GE Tairong as a limited partner, 9.14% by Mr. GE Tailiang as a limited partner, 5.00% by CHEN Youxi as a limited partner, 5.00% by CHEN Jiaxing as a limited partner, 4.00% by Mr. ZHENG Minmin as a limited partner, 4.00% by Ms. DAI Dongya as a limited partner and 15.29% by other three limited partners, each being an Independent Third Party and holding less than 10% interest in Shanghai Congjiong. As of the Latest Practicable Date, Mr. GE Tailiang directly held 5.58% interest in our Company and held 9.14% interest in Shanghai Congjiong or Shanghai Chaotai in respect of their respective interest in our Company. Mr. GE Tailiang is not involved in our management and operations, and does not hold any positions within our Group. As such, Mr. GE Tailiang is not considered as a controlling shareholder of our Company.
- (2) As of the Latest Practicable Date, Shanghai Chaotai was owned as to 33.07% by Ms. CAO Meisheng as its general partner, 1.25% by Ms. RAO Lei as a limited partner and 65.68% by other 29 limited partners who are Independent Third Parties and each holds less than 10% interest in Shanghai Chaotai.
- (3) As of the Latest Practicable Date, Dizi Precision was owned as to 51.00% by our Company, 12.14% by HUANG Mingtao (黃明濤), 9.52% by Shanghai Kedi Commercial Information Consulting Enterprise Limited Partnership (上海凱狄商務信息諮詢合夥企業(有限合夥)), whose general partner is HUANG Mingtao, 8.09% by CHEN Zengshou (陳增壽), an Independent Third Party, 7.01% by WANG Lihui (王利輝), a director and general manager of Dizi Precision, 7.01% by WANG Liyong (王利用), a director of Dizi Precision, and 5.21% by Shanghai Neizu Technology Consulting Partnership Enterprise (Limited Partnership) (上海鐳祖技術諮詢合夥企業(有限合夥)), whose general partner is HUANG Mingtao. HUANG Mingtao, WANG Lihui, WANG Liyong, Shanghai Kedi Commercial Information Consulting Enterprise Limited Partnership and Shanghai Neizu Technology Consulting Partnership Enterprise (Limited Partnership) are therefore our connected persons at subsidiary level.

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



(1) and (3) See “— Corporate Structure — Corporate Structure immediately before the [REDACTED]” in this section.