

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 [REDACTED] in the [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this document.

OVERVIEW

About Us

We are a PRC-based provider of electronic chemicals and functional materials. We principally engage in the research and development, manufacture, sale and services of battery chemicals, organic fluorochemicals and electronic information chemicals. Guided by the core strategic philosophy of being “customer-centric and technology-powered”, we provide integrated solutions to customers across sectors including new energy vehicles (NEV), energy storage systems (ESS), consumer electronics, AI and digital infrastructure, semiconductor manufacturing, pharmaceuticals and other advanced industrial applications. We have developed end-to-end “conceptualisation, design, development, validation, industrialisation and continuous optimisation” capabilities, and as of the Latest Practicable Date, we operate 13 production bases.

We were founded in 2002, with our origins tracing back to Shenzhen Zhubang Chemical Co., Ltd., which was established by our founding team in 1996. With three decades of industry experience and development alongside the PRC electronic information industry, we have expanded from our early capacitor chemicals business into three core business segments: battery chemicals, organic fluorochemicals and electronic information chemicals.

In response to industry trends and evolving customer needs, we continued to increase our R&D investment, deepen our technological and product capabilities, broaden our product portfolio into adjacent categories, and strengthen cross-segment technological synergies. By integrating capabilities across our three segments, development, manufacturing execution and customer collaboration, are able to share platforms, transfer know-how and deepen customer engagement across applications and business segments. We believe these cross-segment synergies have supported more efficient product iteration, broader solution coverage and faster scaling of each segment than would have been achievable on a stand-alone basis.

Our Principal Businesses

We have developed three synergistic core business segments around electronic chemicals and functional materials, comprising battery chemicals, organic fluorochemicals and electronic information chemicals.

Battery chemicals

We provide battery chemicals to customers in the power, energy storage and consumer battery markets, including lithium-ion battery electrolytes, supercapacitor chemicals, and emerging electrolytes and auxiliary materials. We have also vertically integrated capabilities

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across key electrolyte material categories including solutes, solvents and additives. The primary end applications for our products include: (i) electric vehicles for our battery electrolytes; (ii) power systems, data centres, rail transit, wind power and photovoltaic applications for our energy storage electrolytes; (iii) laptops, tablets, smartphones, smart wearables, consumer drones, robots, smart appliances, power tools and other portable electronics for our consumer battery electrolytes, and (iv) smart meters, hybrid electric vehicles, wind power generation, and computing data centres for our supercapacitor electrolytes. For emerging electrolytes and auxiliary materials, we have achieved commercial-scale production of sodium-ion battery electrolytes and solid-state battery electrolytes.

Organic fluorochemicals

We supply fluorinated fine chemicals and fluoropolymers to customers around the world in AI and digital infrastructure, pharmaceuticals and clean energy applications. Starting from key upstream intermediates including tetrafluoroethylene (TFE) or hexafluoropropylene oxide (HFPO), we have built a comprehensive fluorochemical industrial chain. In AI and digital infrastructure, our organic fluorochemical products are primarily used in immersion liquid-cooling solutions for data centres and as cleaning solutions for semiconductor manufacturing processes and precision semiconductor components; in pharmaceuticals, our products are used as intermediates for anaesthetics for pharmaceutical applications; in clean power, our products are used as electrical insulation media for ultra-high-voltage transmission and transformation, and materials for proton-exchange membranes used in hydrogen fuel cells, flow batteries and PEM electrolyzers.

Electronic information chemicals

We supply capacitor chemicals and semiconductor chemicals to customers in end markets including consumer electronics, new energy, AI and digital infrastructure. Product portfolio of our capacitor chemicals cover full spectrum of application scenarios within the sector, from upstream aluminium foil chemicals, mid-stream electrolytes and related chemicals for aluminium electrolytic capacitors, to downstream capacitor packaging materials and components. Our capacitor chemicals are primarily used in aluminium electrolytic capacitors, solid capacitors, stacked capacitors, and tantalum electrolytic capacitors applied in automotive electronics, information communications, consumer electronics, household appliances and computing data centres. Our semiconductor chemicals include high purity chemicals, etching liquids, semiconductor cooling liquids, and semiconductor cleaning liquids used in the manufacturing processes for ICs and display panels.

Our Key Partners

Leveraging our strengths in technological innovation, high-quality products and integrated solutions, we have established strong brand recognition and earned the trust of our customers, and we have maintained stable cooperation with a number of customers across our business segments.

In battery chemicals, we have established long-term and stable relationships with power battery manufacturers. In organic fluorochemicals, we have maintained stable cooperation for over ten years with new materials and pharmaceutical companies. We also work in collaboration with our electronic information chemicals business segment to provide one-stop solutions to semiconductor customers. In electronic information chemicals, we rank first by market share for capacitor chemicals from 2020 to 2025. For further details, please refer to “Competitive Strengths — We have built strong brand recognition and customer trust over three decades, and have maintained stable relationships with customers”.

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We are principally engaged in direct sales of our products to industrial customers in the PRC and overseas. This approach minimizes intermediary costs and facilitates clear, direct communication with clients. Customers of our lithium-ion battery materials are primarily manufacturers of NEV, ESS and consumer electronics batteries. For organic fluorochemicals, our customers include AI and digital infrastructure companies, pharmaceutical companies and advanced materials companies which use fluorinated polymers and fluorinated fine chemicals in data centre, pharmaceutical and clean energy applications. For electronic information chemicals, our customers mainly consist of capacitor manufacturers, display panel manufacturers and IC manufacturers. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the aggregate sales to our five largest customers amounted to approximately RMB3,140.3 million, RMB2,710.3 million, RMB3,335.1 million, and RMB2,676.0 million, respectively, accounting for approximately 42.0%, 34.6%, 34.6%, and 35.9% of our total revenue in the same periods, respectively. The revenue contribution from our largest customer was 15.4%, 11.7%, 13.9%, and 15.6% in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively.

We procure raw materials from a diversified group of suppliers. Our main raw materials were solutes, additives and solvents. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the aggregate purchase cost from our five largest suppliers amounted to approximately RMB1,739.3 million, RMB1,588.0 million, RMB2,346.8 million, and RMB2,246.9 million, respectively, accounting for approximately 39.0%, 30.3%, 35.0%, and 37.6% of our total purchases in the same periods, respectively. The purchase from our largest supplier accounted for 13.6%, 11.3%, 16.1%, and 21.3% of our total purchases in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively.

Sales and marketing model

We primarily adopt a direct sales model supplemented by sales through trading companies. Direct sales are our predominant sales channel and accounted for around 90% of our revenue in each of 2023, 2024, 2025, and the six months ended June 30, 2026, with sales to trading companies accounting for 10.6%, 13.4%, 9.8%, and 7.1% respectively during the corresponding period.

Our Technology and R&D

With three decades of industry experience in battery chemicals and functional materials, we have built a full-cycle R&D platform intended to support conceptualisation, design, development, validation, industrialisation and continuous optimisation of new products across our business segments. We have established a multi-level R&D organisation, including our Shenzhen research institute, a group-level R&D platform for medium to long-term technology planning, business segment R&D teams responsible for product and formulation development, and laboratories at production bases focusing on process optimisation and onsite technical support. We have established 32 innovation platforms, including a National Enterprise Technology Centre, and developed five core technology platforms, design and synthesis, material purification, analysis and testing, formulation and solution, and device testing and evaluation, which support technical synergy among our three business segments and enable the sharing of R&D resources and platforms across the Group.

During the Track Record Period, we invested an aggregate of approximately RMB1,674.4 million in R&D, representing approximately 5.2% of our total revenue from 2023 to June 30, 2026. As of June 30, 2026, we had 1,133 R&D and technical personnel, representing 23.6% of our total employees. We had filed an aggregate of 1,716 patent applications that were accepted for examination, obtained an aggregate of 602 PRC granted patents and 112 overseas granted

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invention patents. For further details, please refer to “Competitive Strengths — Full-cycle R&D capabilities in electronic chemicals and functional materials underpin our continuous innovation and industry leadership”.

Our Manufacturing Capabilities and Supply Chain

We mainly manufacture our products at our own production bases in the PRC and overseas. Our production activities are organised around our three major product segments. As of June 30, 2026, we operated 13 production bases, comprising 12 production bases in the PRC and one production base in Europe, and we have progressed to installation of our overseas production base in Malaysia, and are undertaking preparatory work for the construction of our overseas bases in Saudi Arabia and the expansion of our production base in Poland. We continue to improve our ability to guarantee supply assurance and responsiveness through a combination of localised production and vertical integration. See “Business — Production.”

Battery chemicals

We are proactively expanding our manufacturing and delivery footprint. We have put into operation nine production bases in the PRC, one production base in Poland, and one facility in Malaysia at pilot production stage, which enables us to provide localised delivery of electrolytes in Europe and Southeast Asia. We are also progressing capacity deployment in Malaysia, Saudi Arabia, and Poland, and we expect to operate two overseas production bases in Poland and Malaysia by the end of 2026, enhancing our ability to deliver products to customers in nearby markets with greater assurance.

At the same time, we have developed self-supply capabilities for raw materials used in our electrolytes. Our self-supply capabilities operate through two complementary mechanisms: (i) in-house production by our consolidated subsidiaries of solvents, additives and certain solutes (LiFSI); and (ii) procurement of LiPF_6 , a key solute for lithium-ion battery electrolytes, from Shilei Fluorine Materials, a company over which we achieved joint control in December 2024. For solvents and additives, our consolidated production capacity is able to meet our internal electrolyte production requirements, and we also sell such products to third-party customers to maintain market competitiveness. The degree to which each raw material category is self-supplied varies by material and by period.

Organic fluorochemicals

Positioning TFE and Hexafluoropropylene (“HFP”) as the starting point of our organic fluorochemical value chain, we operate two principal production bases, Sanming Hexafluoro and Fujian Heptafluoro, and have expanded into higher value-added fluorinated fine chemicals and fluoropolymers for AI and digital infrastructure, pharmaceuticals and clean energy. As a result, we have established a relatively comprehensive vertically integrated value chain with effective complementarity and synergies among intermediate products and raw materials.

Electronic information chemicals

To optimise regional capacity deployment, we have established six production bases across major semiconductor clusters in Beijing-Tianjin-Hebei region, the Yangtze River delta region, and the Pearl River delta region, supporting rapid customer response and delivery.

For further details, please refer to “Competitive Strengths — Localised delivery capabilities and vertically integrated manufacturing support reliable delivery and a stable, cost-efficient supply chain”.

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OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) we are a provider of electronic chemicals and functional materials with significant growth potential; (ii) we have built strong brand recognition and customer trust over three decades, and have maintained stable relationships with customers; (iii) full-cycle R&D capabilities in electronic chemicals and functional materials underpin our continuous innovation and industry leadership; (iv) localised delivery capabilities and vertically integrated manufacturing support reliable delivery and a stable, cost-efficient supply chain; (v) our “concentric circles” synergetic diversification strategy enables deep synergies across our three business segments; and (vi) our experienced management team has deep industry insight and strong execution capabilities, enabling us to identify technology trends and market opportunities and to navigate capital markets rules effectively. See “Business — Competitive Strengths” for more details.

OUR STRATEGIES

We intend to pursue the following strategies: (i) strengthen localised delivery and vertically integrated manufacturing capabilities; (ii) continue product development and forward-looking research under our “concentric circles” synergetic diversification strategy; (iii) elevate operational excellence through digital transformation, automation and AI-enabled intelligence; and (iv) advancing sustainability with best-in-class ESG practices to strengthen our corporate profile. See “Business — Our Strategies” for more details.

COMPETITION

The lithium-ion battery electrolyte market is relatively concentrated among a small number of large producers with regional footprints, supported by a long tail of smaller processors. In battery chemicals, our principal competitors include electrolyte producers. According to Frost & Sullivan, the five largest electrolyte producers together account for approximately 57% of the electrolyte market in terms of revenue. In terms of battery electrolyte revenue in 2025, we ranked as the second largest battery electrolyte provider globally. Furthermore, we achieved the largest global market share of battery electrolyte revenue (excluding the PRC) from 2020 to 2025.

The organic fluorochemicals industry is characterized by relatively high technical and safety requirements, significant capital investment and long customer qualification cycles. We participate across multiple stages of the organic fluorochemicals value chain, with business coverage extending from upstream fluorinated basic materials and intermediates to downstream fluoropolymers and fluorinated fine chemicals. While this market has historically been dominated by overseas materials manufacturers, an increasing number of Chinese chemical companies, which traditionally operated in other segments of the fluorochemical industry chain, are now aggressively expanding into high-value-added sectors, such as HFPO and its downstream products. In terms of global revenue from HFPO and its downstream products, we ranked the first among global manufacturers in 2025.

Our electronic information chemicals segment covers capacitor chemicals and semiconductor chemicals, which exhibit different competitive dynamics. In capacitor chemicals, the market is relatively concentrated among specialised suppliers that have established long-term relationships with capacitor manufacturers. According to Frost & Sullivan, our capacitor chemicals have ranked first globally by revenue from 2020 to 2025. According to Frost & Sullivan, our semiconductor chemicals business has achieved scaled supply to major IC manufacturers in the PRC market. In terms of electronic information chemical business segment, we ranked first among domestic PRC companies by market share in the PRC market for semiconductor cooling liquids in 2025.

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See “Industry Overview” for more details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i>
REVENUE	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314
Cost of sales	(5,349,041)	(5,830,811)	(7,375,211)	(3,214,142)	(5,704,032)
Gross profit	2,123,378	2,004,870	2,253,268	1,028,356	1,751,282
Other income and gains	236,632	190,973	231,736	145,763	86,455
Selling and distribution expenses	(99,704)	(118,760)	(149,077)	(76,144)	(88,461)
Administrative expenses	(424,233)	(413,426)	(467,170)	(209,302)	(280,080)
Research and development expenses	(485,132)	(392,852)	(501,872)	(252,445)	(294,589)
Impairment losses on financial assets, net	(25,923)	(21,861)	(64,647)	(18,330)	(79,319)
Other expenses	(54,529)	(55,491)	(61,897)	(8,175)	(46,490)
Finance costs	(41,891)	(60,781)	(77,093)	(37,282)	(39,798)
Share of profits and losses of:					
Joint ventures	–	402	122,680	7,654	174,815
Associates	(60,823)	(39,691)	(26,892)	(12,132)	(12,130)
PROFIT BEFORE TAX	1,167,775	1,093,383	1,259,036	567,963	1,171,685
Income tax expense	(153,860)	(142,797)	(161,630)	(66,503)	(172,785)
PROFIT FOR THE YEAR/PERIOD	<u>1,013,915</u>	<u>950,586</u>	<u>1,097,406</u>	<u>501,460</u>	<u>998,900</u>
Attributable to:					
Owners of the parent	1,014,035	940,432	1,096,058	490,280	984,807
Non-controlling interests	<u>(120)</u>	<u>10,154</u>	<u>1,348</u>	<u>11,180</u>	<u>14,093</u>

Revenue

Revenue by Business Segment

During the Track Record Period, we primarily generated our revenue through three main business segments, namely (i) battery chemicals, (ii) organic fluorochemicals, and (iii) electronic information chemicals.

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The table below sets forth a breakdown of our revenue by our business segments for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Battery chemicals	5,053,113	67.6	5,115,623	65.3	6,679,414	69.4	2,815,372	66.4	5,748,190	77.1
Organic fluorochemicals	1,425,415	19.1	1,528,765	19.5	1,426,358	14.8	721,855	17.0	708,296	9.5
Electronic information chemicals	939,390	12.6	1,134,169	14.5	1,464,610	15.2	679,177	16.0	956,280	12.8
Others ⁽¹⁾	54,501	0.7	57,124	0.7	58,097	0.6	26,094	0.6	42,548	0.6
Total	7,472,419	100.0	7,835,681	100.0	9,628,479	100.0	4,242,498	100.0	7,455,314	100.0

Note:

(1) Others primarily consists of the sale of cover plates and other functional materials.

Sales Volume and Average Selling Price

The following table sets forth the sales volume and average selling price by product categories during the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume (thousand tonnes)	Average selling price (RMB per tonne)	Sales volume (thousand tonnes)	Average selling price (RMB per tonne)	Sales volume (thousand tonnes)	Average selling price (RMB per tonne)	Sales volume (thousand tonnes)	Average selling price (RMB per tonne)	Sales volume (thousand tonnes)	Average selling price (RMB per tonne)
Battery chemicals	212	23,853	343	14,916	530	12,613	222	12,693	332	17,302
Organic fluorochemicals ⁽¹⁾	5	317,060	7	230,624	7	194,259	3	210,019	4	159,246
Electronic information chemicals	73	12,909	85	13,354	97	15,026	47	14,604	62	15,421

Note:

(1) The calculation of the sales volume and average selling price set out in the above table excludes the impact of by-products generated from organic fluorochemical production.

Revenue by Geographic Region

During the Track Record Period, we generated most of our revenue from operations in Chinese Mainland, and our overseas revenue primarily derived from Asia, the Americas, and Europe, with the United States, Japan, Vietnam, South Korea, and Hungary contributing the largest amounts of overseas sales. The table below sets forth a breakdown of our revenue by geographic region for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
PRC	5,585,081	74.7	5,891,039	75.2	8,013,368	83.2	3,357,169	79.1	6,619,821	88.8
Total: other region	1,887,338	25.3	1,944,642	24.8	1,615,111	16.8	885,329	20.9	835,493	11.2

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	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Asia	535,039	7.2	640,253	8.2	751,338	7.8	382,674	9.0	565,914	7.6
The Americas . .	825,373	11.0	579,290	7.4	510,747	5.3	327,462	7.7	125,425	1.7
Europe	492,642	6.6	654,968	8.4	270,474	2.8	166,841	3.9	136,994	1.8
Other regions . .	34,284	0.5	70,131	0.9	82,553	0.9	8,352	0.2	7,160	0.1
Total	7,472,419	100.0	7,835,681	100.0	9,628,479	100.0	4,242,498	100.0	7,455,314	100.0

Cost of Sales

Our cost of sales mainly consisted of (i) raw material costs, (ii) manufacturing costs and others, (iii) labour costs, and (iv) impairment losses on inventories all of which are incurred in connection with the production of our products.

The table below sets forth a breakdown of our cost of sales by nature for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Raw material costs	4,200,059	78.5	4,363,864	74.8	5,671,890	76.9	2,444,363	76.1	4,771,349	83.6
Manufacturing costs and others .	957,014	17.9	1,251,060	21.5	1,451,200	19.7	650,564	20.2	791,467	13.9
Labour costs	176,726	3.3	179,442	3.1	211,895	2.9	96,730	3.0	125,126	2.2
Impairment losses on inventories .	15,242	0.3	36,444	0.6	40,226	0.5	22,485	0.7	16,090	0.3
Total	5,349,041	100.0	5,830,811	100.0	7,375,211	100.0	3,214,142	100.0	5,704,032	100.0

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business segments for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000) (Unaudited)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
Battery chemicals .	793,166	15.7	594,690	11.6	687,231	10.3	258,886	9.2	864,980	15.0
Organic fluorochemicals .	985,683	69.2	903,923	59.1	853,434	59.8	440,385	61.0	387,067	54.6
Electronic information chemicals	329,974	35.1	480,751	42.4	695,821	47.5	321,020	47.3	488,995	51.1
Others ⁽¹⁾	14,555	26.7	25,506	44.7	16,782	28.9	8,065	30.9	10,240	24.1
Total	2,123,378	28.4	2,004,870	25.6	2,253,268	23.4	1,028,356	24.2	1,751,282	23.5

Note:

(1) Others primarily consists of the sale of cover plates and other functional materials.

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Our gross profit decreased by 5.6% from RMB2,123.4 million in 2023 to RMB2,004.9 million in 2024, and our gross profit margin decreased from 28.4% in 2023 to 25.6% in 2024. The decrease was primarily attributable to a lower gross profit margin in our battery chemicals business segment. The increasingly intensified market competition created price pressure on our products, lowering the gross profit margin of battery chemicals by 4.1 percentage points from 15.7% in 2023 to 11.6% in 2024. Higher fixed cost recognised in cost of sales as newly commissioned projects and production lines were brought into use also contributed to the slight dip in gross profit margin, as the newly added capacity had not reached stable utilisation levels in 2024.

Our gross profit increased by 12.4% from RMB2,004.9 million in 2024 to RMB2,253.3 million in 2025, and our gross profit margin decreased from 25.6% in 2024 to 23.4% in 2025. Such decrease was primarily due to (i) the gross profit margin of the battery chemicals segment declined from 11.6% to 10.3% in 2025 as selling price pressure persisted through the first three quarters of 2025, and in the fourth quarter of 2025, a recovery in average selling prices, fuelled by strong downstream demand (notably in ESS), contributing to a sequential margin improvement; (ii) the gross profit margin of the organic fluorochemicals segment stabilised at 59.8% in 2025, broadly in line with 59.1% in 2024; and (iii) the gross profit margin of the electronic information chemicals segment improved from 42.4% in 2024 to 47.5% in 2025.

Our gross profit increased by 70.3% from RMB1,028.4 million for the six months ended June 30, 2025 to RMB1,751.3 million for the six months ended June 30, 2026, primarily attributable to the substantial increase in our revenue, which increased by 75.7% over the same period, which more than offset the impact of the slight dip in our gross profit margin. Our gross profit margin was 24.2% and 23.5% for the six months ended June 30, 2025 and 2026, respectively. This was primarily attributable to a change in our revenue mix. In particular, battery chemicals, which had relatively lower gross profit margin among our core business segments, increased its contribution to our total revenue from 66.4% to 77.1%, while contribution from organic fluorochemicals, which had the highest gross profit margin, decreased from 17.0% to 9.5% as a result of faster growth of sales from battery chemicals. The impact of the change in revenue mix was partially offset by the improvement in the gross profit margins of our battery chemicals and electronic information chemicals segments.

See “Financial Information — Period-to-Period Comparison of Results of Operations.”

Production Capacity and Utilisation

The table below sets forth the breakdown of production capacity, actual production output and utilisation rate by business segment and major product category for the periods indicated.

Segment	Year Ended December 31,						Six Months Ended June 30,		
	2023		2024		2025		2026		Number of Production Bases ⁽³⁾
	Production Capacity (t) ⁽¹⁾	Utilisation Rate	Production Capacity (t) ⁽¹⁾	Utilisation Rate	Production Capacity (t) ⁽¹⁾	Utilisation Rate	Production Capacity (t) ⁽¹⁾	Utilisation Rate	
Battery chemicals	269,691	81.3%	455,443	83.2%	681,577	77.7%	365,238	87.9%	10 ⁽²⁾
Organic fluorochemicals	6,162	77.7%	16,468	77.9%	19,585	82.1%	10,993	80.3%	2
Electronic information chemicals	109,905	58.4%	139,022	50.6%	150,522	51.6%	90,511	55.7%	6
– Capacitor chemicals . .	38,372	63.7%	43,322	57.8%	43,322	55.5%	21,661	60.1%	
– Semiconductor chemicals	71,533	55.6%	95,700	47.4%	107,200	50.1%	68,850	54.3%	

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Notes:

- (1) Production capacity is determined by aggregating the rated capacity of the principal equipment used in the production of each product at each relevant production base. Where a production facility or production line commenced operation during the relevant year or period, only the capacity from the date of commissioning to the end of that period is included, without annualization for the partial period. Utilisation rate is calculated as actual production output for the relevant period divided by designed capacity for the same period.
- (2) All production bases are located in Chinese Mainland except for one production base in Poland with annual production capacity of 40,000 tonnes of lithium-ion battery electrolytes.
- (3) Each of our production bases may support one or more of our business segments.

Summary of Consolidated Statements of Financial Position

	As of December 31, 2023	As of December 31, 2024	As of December 31, 2025	As of June 30, 2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	8,110,138	9,375,908	9,341,168	9,915,216
Total current assets	9,514,175	8,247,286	10,456,359	13,840,607
Total assets	17,624,313	17,623,194	19,797,527	23,755,823
Total current liabilities	5,380,511	4,654,802	6,107,931	9,540,946
Total non-current liabilities	2,611,572	2,745,703	2,435,962	2,374,247
Total liabilities	7,992,083	7,400,505	8,543,893	11,915,193
Net current assets	4,133,664	3,592,484	4,348,428	4,299,661
Total assets less current liabilities .	12,243,802	12,968,392	13,689,596	14,214,877
Net assets	9,632,230	10,222,689	11,253,634	11,840,630

Net Assets

Our net assets increased by 6.1% from RMB9,632.2 million as of December 31, 2023 to RMB10,222.7 million as of December 31, 2024, primarily due to profit generated from our business operations during the year, partially offset by (i) the declaration and payment of cash dividends to our shareholders in respect of the financial year 2023, (ii) the repurchase of our shares for our employee incentive schemes, and (iii) distributions to non-controlling interests of certain subsidiaries.

Our net assets increased by 10.1% from RMB10,222.7 million as of December 31, 2024 to RMB11,253.6 million as of December 31, 2025, primarily due to (i) profit generated from our business operations during the year, and (ii) conversion of convertible bonds into shares which increases our net assets by RMB155.5 million, partially offset by (i) the declaration and payment of cash dividends to our shareholders in respect of the financial year 2024, (ii) the repurchase and cancellation of restricted shares in connection with our employee share incentive schemes, (iii) distributions to non-controlling interests of certain subsidiaries, and (iv) the acquisition of additional equity interests in certain subsidiaries from non-controlling shareholders.

Our net assets increased by 5.2% from RMB11,253.6 million as of December 31, 2025 to RMB11,840.6 million as of June 30, 2026, primarily due to (i) profit generated from our business operations during the period, (ii) the proceeds from the issue of shares for the 2025 Restricted Share Incentive Plans, and (iii) equity-settled share-based payment expense, partially offset by (i) dividends paid and (ii) the acquisition of non-controlling interests.

SUMMARY

Summary of Consolidated Statements of Cash Flow

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

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash flows from operating activities	3,447,911	818,414	1,168,694	569,248	1,126,735
Net cash flows used in investing activities . . .	(3,778,504)	(719,651)	(1,542,689)	(645,868)	(173,085)
Net cash flows from/(used in) financing activities	61,896	(296,796)	(1,235,825)	(1,092,502)	(85,930)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(268,697)	(198,033)	(1,609,820)	(1,169,122)	867,720
Cash and cash equivalents at beginning of year/period	3,210,481	2,942,301	2,742,102	2,742,102	1,134,335
Effect of foreign exchange, net	517	(2,166)	2,053	9,510	(14,813)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	2,942,301	2,742,102	1,134,335	1,582,490	1,987,242

KEY FINANCIAL RATIOS

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

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Gross profit margin	28.4%	25.6%	23.4%	23.5%
Current ratio ⁽¹⁾	1.77	1.77	1.71	1.45
Quick ratio ⁽²⁾	1.60	1.56	1.51	1.26
Liabilities-to-assets ratio ⁽³⁾ . .	45.4%	42.0%	43.2%	50.2%

(1) Current ratio is calculated by dividing current assets by current liabilities as of the same date.

(2) Quick ratio is calculated by subtracting inventories from total current assets and then dividing the result by current liabilities as of the same date.

(3) Liabilities-to-assets ratio is calculated by dividing total liabilities by total assets as of the same date.

SUMMARY

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks related to our business and the industry, (ii) risks relating to where we conduct business, and (iii) risks relating to Chinese Mainland, which are set out in the section headed “Risk Factors”. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) our results of operations are highly sensitive to demand in NEV, ESS, AI and digital infrastructure and other downstream industries we serve; (ii) the selling prices of our products may face downward pressure, which will adversely affect our profit margins, results of operations and financial condition; (iii) our profitability is highly dependent on raw material costs and supply stability, and we may not be able to fully pass on cost fluctuations to our customers; (iv) we face intense competition in the industries in which we operate; (v) we are subject to environmental, health and safety risks and increasingly stringent regulations relating to chemical products; (vi) our business model requires significant capital expenditure and capacity expansion, and delays, under-utilisation or cost overruns in new projects could adversely affect us; (vii) we may not be able to achieve the desired benefits from our R&D efforts, keep pace with technological change or evolving industry standards, or successfully commercialise new products; (viii) we may fail to adequately protect our trade secrets and other proprietary know-how, which could adversely affect our competitive position; (ix) we may be subject to risks associated with our product quality, and minor defects in our products may result in disproportionate losses and liabilities; and (x) we are exposed to product concentration risks, particularly in respect of certain battery chemicals products.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the Growth Enterprise Market of Shenzhen Stock Exchange (Stock Code: 300037) since January 2010. Our Directors confirmed, and our PRC Legal Adviser is of the view, that during the Track Record Period and up to the Latest Practicable Date, our Company had complied with all applicable securities laws and regulations in the PRC in all material respects and had no instance of material non-compliance in this regard. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser’s view, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to cast doubt on our Directors’ confirmation with regard to the compliance record of our Company on the Shenzhen Stock Exchange in all material respects. For details, please refer to “History, Development and Corporate Structure — Our Listing on the Shenzhen Stock Exchange and Reasons for the [REDACTED] on the Stock Exchange” in this document.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, our Controlling Shareholders Group comprised Mr. Qin Jiusan (覃九三), Mr. Zhou Dawen (周達文), Ms. Zhong Meihong (鍾美紅), Mr. Zheng Zhongtian (鄭仲天), Ms. Zhang Guiwen (張桂文) and Ms. Deng Yonghong (鄧永紅). Pursuant to the Concert Party Agreement among them which is expected to remain effective after the [REDACTED], they collectively held approximately 37.23% of our total share capital as of the Latest Practicable Date. For further details of our Controlling Shareholders Group, their relationship and the Concert Party Agreement, please refer to “History, Development and Corporate Structure” in this document. Immediately following the completion of the [REDACTED] (assuming that [REDACTED] is not exercised, no additional 2022 Convertible Bonds are converted and no additional A Shares are issued under the Effective Restricted Share Incentive Plans and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the Controlling Shareholders

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Group will collectively hold approximately [REDACTED]% of the total issued share capital of our Company, and will therefore remain as our Controlling Shareholders Group upon the [REDACTED]. For details, please refer to “Relationship with Our Controlling Shareholders Group” in this document.

[REDACTED]

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transaction which will constitute partially-exempt continuing connected transaction of our Company under the Listing Rules following the completion of the [REDACTED]. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirement under the Listing Rules. For further details in this respect, please refer to “Connected Transactions” in this document.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED], after deducting the [REDACTED] and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], assuming the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]) and assuming that the [REDACTED] is not exercised. We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to support our localisation and vertical integration strategy.
- Approximately [REDACTED]%, or HK\$[REDACTED], to support our full-cycle R&D capabilities across battery chemicals, organic fluorochemicals and electronic information chemicals.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to support upgrades of our digital infrastructure.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

Localisation and vertical integration strategy — key objectives and mechanics

Battery chemicals. Our battery chemicals segment pursues both localisation and vertical integration. In terms of localisation, we have operated an overseas production base in Poland since 2023, and target to commence overseas electrolyte production in Malaysia in 2026. The production base in Malaysia enables local production near customers, reducing transportation costs, delivery cycle times and exposure to trade policy and ocean freight volatility. In terms of vertical integration, we have established and target to expand in-house production of the three principal electrolyte raw materials, solutes, solvents and additives, which together represent approximately 80% to 90% of electrolyte raw material cost. In-house production of these materials reduces procurement costs, and provides a buffer against supply disruptions. The expanded raw material production capacity is sized to serve both our internal electrolyte manufacturing requirements and selective third-party sales, providing us with the flexibility to optimise its supply chain strategy in response to market conditions.

Organic fluorochemicals. This segment pursues primarily a vertical integration strategy, focused on building in-house production of HFP, the principal upstream raw material. Our subsidiary Fujian Heptafluoride commenced HFP production at the end of 2023 and has been in stable production since 2024, establishing in-house HFP supply capability.

Electronic information chemicals. This segment pursues primarily a localisation strategy focused on domestic proximity to customers. Given the stringent delivery requirements of semiconductor manufacturers, we are expanding capacity within major semiconductor clusters in Huizhou, Nantong and Tianjin. There are no overseas production bases planned for electronic information chemicals.

See “Future Plans and Use of [REDACTED].”

DIVIDEND POLICY

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》), the Guideline No. 3 for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號—上市公司現金

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分紅(2023年修訂)》) and pursuant to our dividend policy under the Articles of Association, we are required to pay cash dividends of no less than 15% of the distributable profits realised for that year and cumulative cash dividends of any three fiscal years that account for not less than 45% of our average net profits for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that (i) the distributable profits realised for that year (being the after-tax profits remaining after making up accumulated losses and appropriating statutory reserves) are positive and cash flow is sufficient such that the payment of cash dividends will not affect the Company’s subsequent sustainable operation; (ii) the cumulative distributable profits of the Company are positive; (iii) the audit institution has issued a standard unqualified audit opinion on the Company’s annual financial report for the relevant year; and (iv) there are no significant investment plans or major cash expenditures (other than fund-raising projects), being cases where the aggregate amount of proposed external investments, asset acquisitions, equipment purchases or construction expenditures within the following twelve months reaches or exceeds 30% of the Company’s most recently audited total assets. Where any of the foregoing conditions is not satisfied, the Company may elect not to distribute profits.

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of both, with cash dividends taking precedence over stock dividends. We do not have a fixed dividend distribution ratio. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders’ interests, development stage (whether mature or growth stage), existence of major capital expenditure arrangements and any other conditions that our Board may deem relevant. We are committed to creating and delivering value to our shareholders.

The table below sets forth the dividends attributable to the years 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)	
Proposed final dividend in respect of the year/period	<u>450,805</u>	<u>298,096</u>	<u>374,626</u>	—	— ⁽¹⁾

Note:

- (1): Subsequent to June 30, 2026, our directors recommend the payment of interim dividend of RMB0.3 per ordinary share in respect of the six months ended June 30, 2026 with total amount of RMB226,165,965. The Board of Directors has agreed to submit the proposal for the distribution of profits for the first half of 2026 to our third extraordinary general meeting of shareholders for deliberation.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial conditions and results of operations since June 30, 2026, which is the end date of the years/period reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since June 30, 2026 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

SUMMARY

[REDACTED] EXPENSES

[REDACTED] fees represent professional fees, [REDACTED] and fees incurred in connection with the [REDACTED] and the [REDACTED]. Our [REDACTED] expenses are estimated to be approximately [REDACTED] (including [REDACTED]) accounted for [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming that an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] range stated in this document), among which, approximately [REDACTED] is directly attributable to the [REDACTED] of Shares and will be charged to equity upon completion of the [REDACTED], and approximately [REDACTED] has been or will be charged to our consolidated statement of comprehensive income. The [REDACTED] fees we expect to incur would consist of approximately HK\$[REDACTED] of [REDACTED] expenses and fees (including [REDACTED], SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK\$[REDACTED] of [REDACTED] expenses and fees including fees for the Joint Sponsors, legal advisers and reporting accountant and approximately HK\$[REDACTED] for other [REDACTED] fees and expenses.