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深圳市星源材質科技股份有限公司

(the "")

(A r r P ' R C)

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深圳市星源材質科技股份有限公司

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The [REDACTED], on behalf of the [REDACTED], and with the consent of our Company, may, where considered appropriate, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that is stated in this document (which is HK$[REDACTED] to HK$[REDACTED]) at any time prior to the morning of the last day for [REDACTED] applications under the [REDACTED]. In such case, an announcement will be published on the websites of our Company and the Stock Exchange and the [REDACTED] will be cancelled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for [REDACTED] applications under the [REDACTED]. Further details are set forth in "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this document.

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We have adopted a fully electronic application process for the [REDACTED]. We will not provide printed copies of this document to the public in relation to the [REDACTED].

This document is available at the websites of the Stock Exchange (. .) and our Company (. 7 .). If you require a printed copy of this document, you may download and print from the website addresses above.

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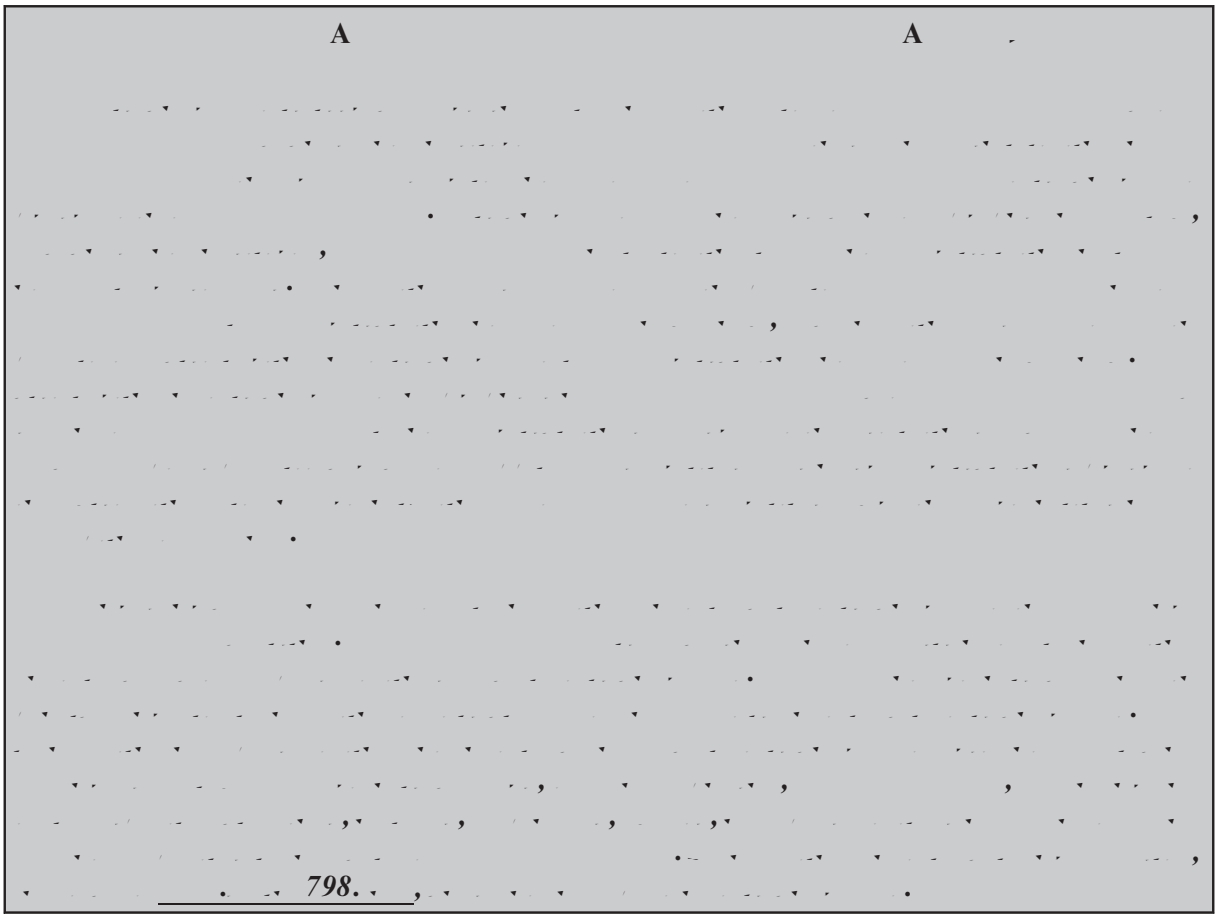

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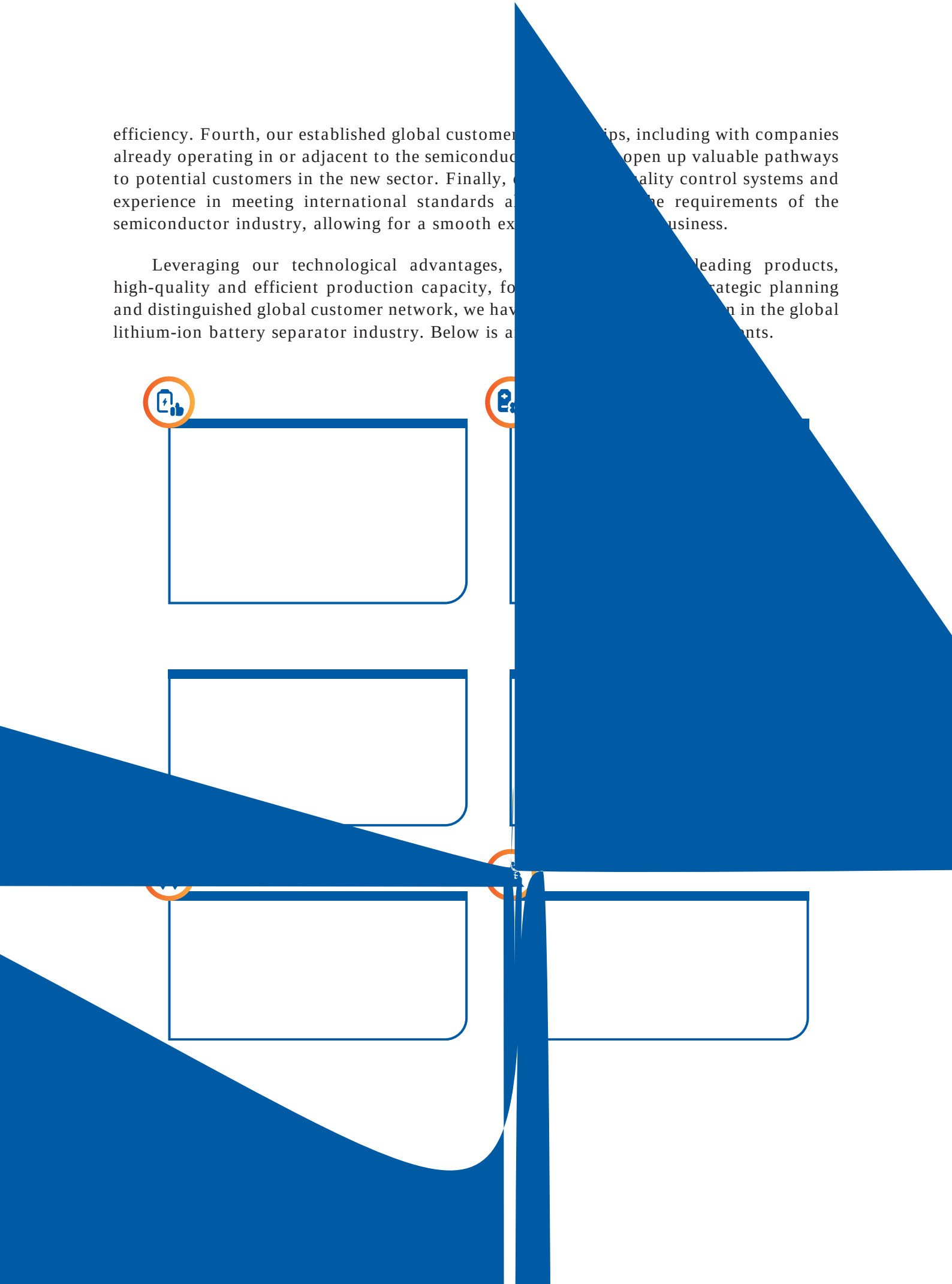
We are a lithium-ion battery separator manufacturer that endeavours to offer

efficiency. Fourth, our established global customer ips, including with companies already operating in or adjacent to the semiconduc open up valuable pathways to potential customers in the new sector. Finally, ality control systems and experience in meeting international standards a e requirements of the semiconductor industry, allowing for a smooth ex usiness.

Leveraging our technological advantages, leading products, high-quality and efficient production capacity, fo rategic planning and distinguished global customer network, we hav n in the global lithium-ion battery separator industry. Below is a nts.



We believe that our business success and leading market position are underpinned by the following key strengths:

- We are a competitive lithium-ion battery separator provider, with a leading position in the industry
- We have a comprehensive and optimised product portfolio that covers comprehensive demand of downstream lithium-ion battery customers in various scenarios
- We have established a three-pronged innovation ecosystem, enabling us to maintain leading R&D capabilities, generate numerous high-quality research outcomes and build extensive technological reserves
- We are one of the few enterprises in the industry with independent equipment research and design capabilities
- Our global production and R&D network lay the foundation for our services to overseas customers
- We have an experienced and visionary management team and have established a robust talent incentive mechanism to promote sustainable development

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We plan to implement the following strategies:

- Continue to invest in the R&D of key technologies for lithium-ion battery separator products, production equipment, raw material, solid-state battery membranes and other functional membranes
- Strengthen our relationships with existing customers, accelerate overseas market expansion and actively pursue new customers worldwide
- Actively seize opportunities in the new energy industry to further implement our global strategies and develop global operating capabilities
- Actively expand our semiconductor materials business and explore opportunities within the industry, insist on "new energy + semiconductors" policy to create a second growth curve

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During the Track Record Period, we offer our customers a comprehensive product portfolio of lithium-ion batteries separators that are designed and manufactured in-house. The table below sets forth certain details of our products.

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	p	Appl	A
Dry Process Separator	Thickness: 3–40μm	Batteries for EVs, electric bicycles, power tools, consumer electronics and energy storage	High melting point temperature and consistent quality
Wet Process Separator	Thickness: 3–25μm	Batteries for EVs, power tools and high-end consumer electronics	High strength, high porosity and adjustable pore size
Coated Separator	Thickness: 5–25μm	Batteries for EVs, consumer electronics and energy storage batteries with higher safety requirements	High safety, high wettability and adjustable coating thickness

Our separators are widely used in lithium-ion batteries for transportation vehicles, electrical energy storage facilities, consumer electronics such as smartphones and laptops and industrial machinery such as cranes and forklifts. Our comprehensive product offerings can meet the varied and specific demands of our customers, namely the lithium-ion battery manufacturers, based on the end use of their batteries.

We pride ourselves on being a reliable partner to other players in the lithium-ion battery value chain. Given the essential role of battery separators in the lithium-ion battery, the downstream lithium-ion battery manufacturers place great emphasis on the selection of suppliers of separators. As the first Chinese company engaged in the research and manufacturing of lithium-ion battery separators according to Frost and Sullivan, and with more than 20 years of industry experience, we believe we have become a world-leading lithium-ion battery separator manufacturer with strong brand recognition in the industry.

In addition to our traditional lithium-ion batteries separators, we maintain a forward-looking product layout with semi-solid-state electrolyte separators, solid-state electrolyte membranes and other functional membranes in non-lithium battery fields, including heat exchange membranes, waterproof and breathable membranes and water treatment membranes, with all products estimated to be designed and manufactured in-house. See "*B O r C r T — S -S B r T*" and "*— F M r T*" for more details.

According to Frost & Sullivan, we are the first and one of the few enterprises in China with capabilities in all three types of lithium-ion battery separator production technologies, namely dry process, wet process and coated process separators. With in-house experts across various disciplines, we have independently developed a series of key technologies in relation to the manufacturing of lithium-ion battery separators, such as the microporosity forming technology and nanofibre coating technology. Utilising the core technologies that we developed, we have also designed key manufacturing equipment in-house.

We have also developed key solid-state battery technologies, including solid-state electrolyte membranes and semi-solid-state electrolyte separators. Using these advancements, we have achieved significant progress in both areas.

We are leveraging our expertise in battery separators to expand into functional membranes, making advances in heat exchange, waterproof and breathable, and water treatment membranes.

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We are dedicated in the R&D of the underlying technologies, product development and design of manufacturing equipment for lithium-ion battery separators and other functional membranes. In addition, we pay increasing attention to the R&D of other relevant products, including solid-state electrolyte membranes and semi-solid-state electrolyte separators and semiconductor materials. We are devoted to establishing our R&D platforms, expanding our global R&D centres and building our R&D team, through which we gain access to the latest knowledge and technologies in polymer materials, new energy, nanotechnology, lithium-ion battery and semi-solid-state and solid-state battery.

We continue to invest substantial capital in R&D and innovation. For the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, our research and development expenses amounted to RMB207.3 million, RMB242.5 million, RMB248.0 million, RMB175.7 million and RMB201.0 million, respectively, representing 7.2%, 8.1%, 7.1%, 6.8% and 6.9% of our revenue for the same periods, respectively.

The manufacturing of lithium-ion battery separators requires expertise from various fields, including polymer science, materials processing, nanotechnology, electrochemistry, surface and interface science, mechanical engineering and automatic control engineering. To support our R&D efforts, we have assembled a team of professionals with backgrounds in these disciplines. As at 30 September 2025, we had an R&D team of 738 members, accounting for over 14% of our total employees.

Our leading R&D capabilities have enabled us to independently develop a series of key technologies in relation to the manufacturing of lithium-ion battery separators. Our industry-leading R&D capabilities lay a strong foundation for our continuous business

expansion in the mid- to high-end markets both domestically and overseas. We will continue to strengthen our competitiveness by improving our R&D capabilities. See "*B R r D* " for more details.

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The manufacturing processes of lithium-ion battery separators are mainly categorised by three different manufacturing techniques: the dry process, the wet process and the coating process, whereas coating refers to an additional process applied in base film separators produced from dry or wet processes. We adopt a "make-to-order" strategy to process customer orders and have developed an ISO production process management control system. After an order is placed by a customer, we will develop a production plan with customised raw material formulas, arrange for procurement of raw materials based on the plan, produce separators with suitable processes, conduct comprehensive product quality checks and deliver our products to customers. This allows us to manage our production cost and improve our operating efficiency.

We have established a global layout of manufacturing facilities in several areas of China to provide our customers with a wide range of battery separator products. To satisfy the fast-growing demand of our overseas customers, we plan to build new manufacturing facilities globally to further expand our production capacity and provide our target customers with comprehensive services using localised supply and supporting facilities. Our U.S., Malaysia and Sweden manufacturing bases are under construction. See "*B M r F* " for more details. With a designed overseas annual production capacity of over two billion square metres, we ranked first in terms of designed overseas capacity among the Chinese lithium-ion battery separator companies.

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In the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025, our top five customers in each period together generated RMB1,932.1 million, RMB1,903.5 million, RMB1,785.9 million and RMB1,805.0 million of revenues, respectively, accounting for 67.4%, 63.8%, 50.9% and 61.5% of our total revenue, respectively. In 2022, 2023, 2024 and the nine months ended 30 September 2025, revenue from our largest customer in each period amounted to RMB847.7 million, RMB795.2 million, RMB460.4 million and RMB434.9 million, accounting for 29.6%, 26.7%, 13.1% and 14.8% of our total revenue, respectively. See "*B C r* " for more details.

During the Track Record Period, we purchase raw and other auxiliary materials directly from our suppliers. The main raw materials used for production of lithium-ion battery separators include thermal plastics such as PP and PE, additives, packaging and auxiliary production materials. In the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025, purchases from our top five suppliers in each period amounted to RMB456.6 million, RMB499.7 million, RMB715.4 million and RMB647.5 million, respectively, representing 48.2%, 47.5%, 44.2% and 50.7% of our total purchases of raw materials, respectively. In addition, purchases from our largest supplier in each period amounted to RMB149.8 million, RMB208.5 million, RMB210.6 million and RMB207.9 million respectively, representing 15.8%, 19.8%, 13.0% and 16.3% of our

total purchases of raw materials in 2022, 2023, 2024 and the nine months ended 30 September 2025, respectively. See "*B R M r S r*" for more details.

We have developed a standardised pricing reference for our sales and marketing team. We set prices based on the acceptability by our customers on one hand and our profitability on the other hand, taking into account a number of factors including, among others, costs of raw materials, size of purchase orders, customer purchase quantities, customer relationships, market competition and the prevailing market prices for separators in the target sales regions. In addition, we reserve the right to further adjust the prices for our products when we observe dramatic fluctuations in the market prices of key raw materials.

Promoted by favourable regulatory policies and rapid development in downstream application scenarios, the global battery separator market has achieved a remarkable growth in total shipment volume in recent years. According to Frost & Sullivan, the market size of global battery separator industry by shipment volume increased from 6.4 billion m^2 in 2020 to 27.7 billion m^2 in 2024 at a CAGR of 44.5%. In 2024, China led the global battery separator market in terms of shipment, accounting for around 84.0% of the market share. As global demands increase, in the future, the market share of other regions outside China is expected to increase from 16.0% to 34.1% from 2024 to 2029.

We operate in concentrated markets and are subject to competition from separator manufacturers around the world. According to Frost & Sullivan, the total shipment volume of global battery separator industry reached approximately 27.7 billion m^2 in 2024, with the top five market players accounted for approximately 65.1% of the total shipment volume of global battery separator market. In 2024, our Group ranked second in the global battery separator market and accounted for 14.4% of the market share. In China, the total shipment volume of battery separators reached approximately 23.3 billion m^2 in 2024, according to Frost & Sullivan, with the top five market players accounted for approximately 77.5% of the total shipment volume of China battery separator market. For more information on the competitive landscape of our industry, see "*I r O r*" for details.

With the introduction of new technologies and entry of new market participants, we expect competition to continue to intensify in the future. However, leveraging our strong R&D capabilities, industry-leading production capacities, core technology advantages, global strategic layout, proven go-to-market strategies, established and extensive customer and supplier relationships, a wide spectrum of product portfolio and experienced management team and talent pool, we believe we are positioned favourably in market competition.

We define adjusted net profit (non-IFRS measure) as net profit for the periods adjusted by adding back equity settled share-based compensation, which is a non-cash item, and [REDACTED] expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the periods indicated.

	31			30 p	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* ( )	*RMB'000*
l p p (-)					
Net profit for the year/period	747,563	593,695	370,708	350,781	140,519
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Equity settled share-based compensation	34,904	4,811	11,982	12,541	41,936
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
A p (-)	**782,467**	**598,506**	**382,690**	**363,322**	**183,434**

Revenue

During the Track Record Period, we generated revenue from sales of lithium-ion battery separators, including dry process separators, wet process separators and coated separators.

Revenue by product category

The table below sets forth the breakdown of the revenue by product category for the periods indicated.

	31						30 p			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* ( )	*%*	*RMB'000*	*%*
Dry process separators	522,543	18.2	675,727	22.7	469,995	13.4	367,159	14.2	360,632	12.3
Wet process separators	454,116	15.8	469,107	15.7	495,103	14.1	391,882	15.2	458,925	15.7
Coated separators	1,890,059	66.0	1,837,029	61.6	2,541,055	72.5	1,818,775	70.6	2,112,053	72.0
l	**2,866,718**	**100.0**	**2,981,863**	**100.0**	**3,506,153**	**100.0**	**2,577,816**	**100.0**	**2,931,610**	**100.0**

Sales Volume and Average Selling Price

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

	31									30 p					
	2022			2023			2024			2024			2025		
		A			A			A			A			A	
		l	ll		l	ll		l	ll		l	ll		l	ll
		l	p		l	p		l	p		l	p		l	p
			RMB			*RMB*			*RMB*			*RMB*			*RMB*
Dry Process Separators	522,543	667,811	0.78	675,727	1,194,164	0.57	469,995	1,342,354	0.35	367,159	952,989	0.39	360,632	971,636	0.37
Wet Process Separators	454,116	315,771	1.44	469,107	443,937	1.06	495,103	610,979	0.81	391,882	466,014	0.84	458,925	628,523	0.73
Coated Separators	1,890,059	719,254	2.63	1,837,029	890,429	2.06	2,541,055	2,032,612	1.25	1,818,775	1,380,012	1.32	2,112,053	1,806,757	1.17
l	**2,866,718**	**1,702,836**	**1.68**	**2,981,863**	**2,528,530**	**1.18**	**3,506,153**	**3,985,945**	**0.88**	**2,577,816**	**2,799,015**	**0.92**	**2,931,610**	**3,406,916**	**0.86**

During the Track Record Period, the average selling price of our separator products experienced a declining trend. Such decrease was primarily due to the intensive market competition driven by supply-demand imbalances. According to Frost & Sullivan, from 2022 to 2024, China's battery separator industry's production capacity expanded at a CAGR of 63.8%, surpassing the 35.8% increase in shipments. This oversupply exerted downward pressure on selling prices. According to Frost & Sullivan, our product pricing trend is in line with the industry trend in light of technical specifications, product positioning and cost structure.

In contrast, for overseas battery separator market, industry experienced strong shipment growth with relatively slower capacity expansion between 2020 and 2024, creating increasing opportunities to secure supply locally due to fast-growing demand from downstream battery manufacturers. See "Industry Overview." This supply-demand dynamic resulted in average selling prices overseas that are significantly higher than those in China.

In the future, we anticipate that expanding our production capacity overseas will further strengthen our ability to capture higher-margin opportunities and improve overall product profitability.

Revenue by geographic region of our shipment destination

During the Track Record Period, we generated most of our revenue from mainland China. The table below sets forth a breakdown of our revenue by geographic region of our shipment destination for the periods indicated.

	31						30 p			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							( )			
Mainland China	2,323,027	81.0	2,512,646	84.3	3,105,179	88.6	2,265,971	87.9	2,533,089	86.4
Others[(1)]	543,691	19.0	469,217	15.7	400,974	11.4	311,845	12.1	398,521	13.6
I	**2,866,718**	**100.0**	**2,981,863**	**100.0**	**3,506,153**	**100.0**	**2,577,816**	**100.0**	**2,931,610**	**100.0**

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(1) Others primarily consisted of South Korea, Japan, SEA and Europe.

Our total revenue increased by 13.7% from RMB2,577.8 million for the nine months ended 30 September 2024 to RMB2,931.6 million for the nine months ended 30 September 2025, primarily due to an increase in sales volume across all product categories as a result of an increase in orders from existing customers for new product launch, partially offset by a decrease in average selling pricing as a result of market competition driven by supply-demand imbalances.

Our total revenue increased by 17.6% from RMB2,981.9 million in 2023 to RMB3,506.2 million in 2024, primarily due to (i) an increase in overall sales volume and (ii) an increase in proportion of sales from coated separators, which have higher average selling prices.

Our total revenue increased by 4.0% from RMB2,866.7 million in 2022 to RMB2,981.9 million in 2023, primarily due to an increase in overall sales volume as a result of an increase in orders from existing customers for new product launch, partially offset by a decrease in average selling pricing as a result of market competition driven by supply-demand imbalances.

Gross Profit and Gross Profit Margin

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

	31						30 p			
	2022		2023		2024		2024		2025	
	p	p	p	p	p	p	p	p	p	p
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							( )			
Dry process separators . .	170,593	32.6	236,881	35.1	94,808	20.2	57,329	15.6	25,688	7.1
Wet process separators . .	233,527	51.4	224,177	47.8	199,340	40.3	177,582	45.3	156,521	34.1
Coated separators.	880,748	46.6	829,349	45.1	690,147	27.2	538,382	29.6	443,438	21.0
l.	**1,284,868**	**44.8**	**1,290,407**	**43.3**	**984,295**	**28.1**	**773,203**	**30.0**	**625,647**	**21.3**

Our gross profit margin decreased from 28.1% in 2024 to 21.3% for the nine months ended 30 September 2025, primarily due to the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

Our gross profit margin decreased from 30.0% for the nine months ended 30 September 2024 to 21.3% for the nine months ended 30 September 2025, primarily due to the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

Our gross profit margin decreased from 43.3% in 2023 to 28.1% in 2024, primarily due to the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

Our gross profit margin slightly decreased from 44.8% in 2022 to 43.3% in 2023, primarily due to a decrease in gross profit margin of our sales of wet process separators from 51.4% in 2022 to 47.8% in 2023, as the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

Profit For the Year/Period

Our profit for the period decreased by 59.9% from RMB350.8 million for the nine months ended 30 September 2024 to RMB140.5 million for the nine months ended 30 September 2025, primarily due to a decrease in gross profit as the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

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Our profit for the year decreased by 37.6% from RMB593.7 million in 2023 to RMB370.7 million in 2024, primarily due to a decrease in gross profit as the decrease in the average selling prices of our products exceeded the decrease in production costs as a result of market competition.

Our profit for the year decreased by 20.6% from RMB747.6 million in 2022 to RMB593.7 million in 2023, primarily due to (i) an increase in general and administrative expenses resulting from (a) an increase in employee benefit expenses as a result of increased number of general and administrative personnel as our business expanded, and (b) an increase in professional fees in relation to a litigation that reached settlement in 2023; and (ii) our recognition of other losses, net, primarily because we recorded settlement expenses of RMB107.7 million in relation to litigation in 2023. See "Business — Legal Proceedings and Compliance."

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The following table sets forth a summary of our consolidated statement of financial position as at the dates indicated.

	A 31			**A 30 p**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	6,918,689	10,526,935	15,603,454	18,341,014
Total current assets	6,782,495	7,418,527	7,542,081	7,333,903
l	**13,701,184**	**17,945,462**	**23,145,535**	**25,674,917**
Total non-current liabilities	2,788,496	3,964,513	7,113,391	7,699,851
Total current liabilities	2,329,589	4,022,172	6,061,022	7,913,815
l l l	**5,118,085**	**7,986,685**	**13,174,413**	**15,613,666**
/(l l)	**4,452,906**	**3,396,355**	**1,481,059**	**(579,912)**
	8,583,099	**9,958,777**	**9,971,122**	**10,061,251**

We record net current assets of RMB1,481.1 million as at 31 December 2024 and net current liabilities of RMB579.9 million as at 30 September 2025, primarily due to (i) an increase in borrowings to supplement our working capital, and (ii) a decrease in cash and cash equivalents, partially offset by a decrease in other payables and accruals, resulting from a decrease in payables for acquisition of non-current assets as a result of our settlement with suppliers.

Our net current assets decreased by 56.4% from RMB3,396.4 million as at 31 December 2023 to RMB1,481.1 million as at 31 December 2024, primarily due to (i) an increase in borrowings for construction of manufacturing bases, (ii) a decrease in time deposits to support construction of manufacturing bases, and (iii) an increase in other payables and accruals resulting from (i) an increase in construction and equipment payables for manufacturing bases, and (ii) an increase in endorsed notes receivable we used to settle payments with suppliers that have not been derecognized and not yet due, partially offset by an increase in cash and cash equivalents.

Our net current assets decreased by 23.7% from RMB4,452.9 million as at 31

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

	A / 31			A / 30 p	
	2022	2023	2024	2024	2025
				( )	
Gross profit margin[(1)]	44.8%	43.3%	28.1%	30.0%	21.3%
Net profit margin[(2)]	26.1%	19.9%	10.6%	13.6%	4.8%
Return on equity[(3)]	N/A	6.4%	3.7%	N/M[(8)]	NM[(8)]
Current ratio[(4)]	2.9	1.8	1.2	N/A	0.9
Liability-to-asset ratio[(5)]	37.4%	44.5%	56.9%	N/A	60.8%
Gearing ratio[(6)]	40.7%	60.8%	107.3%	N/A	128.7%
Interest coverage ratio[(7)]	13.8	8.4	4.1	4.9	1.8

N :

(1) Gross profit margin was calculated based on gross profit divided by revenue for the respective year/period and multiplied by 100%.

(2) Net profit margin was calculated based on net profit divided by revenue for the respective year/period and multiplied by 100%.

(3) Return on equity was calculated based on net profit of the respective year/period, divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.

(4) Current ratio was calculated based on the total current assets divided by the total current liabilities as at the relevant dates.

(5) Liability-to-asset ratio was calculated based on total liabilities divided by total assets as of the relevant dates and multiplied by 100%.

(6) Gearing ratio equals total debt, including total borrowings and lease liabilities, for the period divided by total equity for the period and multiplied by 100%.

(7) Interest coverage ratio represents profit before finance costs (expensed only) and income tax divided by finance costs (expensed only) for the relevant period.

(8) Such ratio is not meaningful as number for the period is not comparable to the numbers for the prior three years of the Track Record Period.

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Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our business and industry, (ii) risks relating to where we conduct business, and (iii) risks relating to the [REDACTED], which are set out in the

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Assuming that [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] of HK$[REDACTED] and HK$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] (equivalent to RMB[REDACTED]) from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]%, or HK$[REDACTED], will be allocated for strengthening our R&D capabilities in solid-state electrolyte membranes, other functional membranes and next-generation lithium-ion battery separator products;

- approximately [REDACTED]%, or HK$[REDACTED], will be allocated for the expansion of our overseas network, specifically in Malaysia and the United States;

- approximately [REDACTED]%, or HK$[REDACTED], will be allocated for investments in companies specialising in new battery separator materials and semiconductor;

- approximately [REDACTED]%, or HK$[REDACTED], will be used to repay the fixed asset loan for our Sweden manufacturing base; and

- approximately [REDACTED]%, or HK$[REDACTED], will be allocated for general working capital and general corporate purposes.

See "*F r P U [REDACTED] U [REDACTED]*" for more details.

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Our Company has been listed on ChiNext of the Shenzhen Stock Exchange and the SIX Swiss Exchange since 2016 and 2023, respectively. We seek to be [REDACTED] on the Hong Kong Stock Exchange in order to further advance our global strategic layout, establish an international capital operation platform, and enhance our comprehensive competitiveness. please see "*B O r Gr S r*" and "*F r P U [REDACTED]*" for more details.

Our Directors confirmed that as at the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and SIX Swiss Exchange and other applicable securities laws and regulations of the PRC and Switzerland in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors'

attention in relation to our compliance record on the Shenzhen Stock Exchange and SIX Swiss Exchange. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange and SIX Swiss Exchange. As confirmed by our PRC legal

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(1) The calculation of [REDACTED] of our Shares is based on [REDACTED] H Shares expected to be in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

(2) The calculation of [REDACTED] of our Shares is based on the assumption that [REDACTED] H Shares will be in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and 1,345,710,639 A Shares will be in issue immediately after completion of the [REDACTED] with an average closing price of the Company for the five trading days on and immediately preceding the Latest Practicable Date at RMB14.84 (or approximately HK$16.56) per A Share.

(3) The unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of the Company per Share as at 30 September 2025 is calculated after making the adjustments referred to in "Appendix IIA — Unaudited [REDACTED] Financial Information" to this Document and on the basis that a total of [REDACTED] Shares (representing 1,348,124,139 Shares as at 30 September 2025 and [REDACTED] [REDACTED]) were in issue assuming that the [REDACTED] had been

We have a formal dividend policy. Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No.3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025) (《上市公司監管指引第3號 — 上市公司 金分紅(2025年)》), and Articles 168 through 175 of the Articles of Association, in principle, we shall distribute dividends in cash. The profit distributed in cash in any single year shall not be less than 10% of the distributable profit realised for that year. Within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realised in the latest three years. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions, and shall be approved at our general meeting.

Any future plan to pay dividends will be made at the discretion of our Board of Directors subject to approval of our Shareholders. Any declaration as well as the amount of such declaration and payment will be subject to our Articles of Association and the relevant laws. Even if we decide to pay dividends, the form, frequency and amount 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

approximately HK$[REDACTED] non-[REDACTED]-related expenses and fees (including (a) fees and expenses of legal advisors and accountants of approximately HK$[REDACTED] and (b) other fees and expenses of HK$[REDACTED]).

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[redacted]

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on ChiNext of the Shenzhen Stock Exchange and traded in Renminbi
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
"AESC"	Automotive Energy Supply Corporation, a company established in 2007 in Japan, and one of our major customers
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company, as amended, which shall become effective from the [REDACTED] Date and a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Business Day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"BYD"	BYD Company Limited (比亞迪股份有限公司), a company established in 1995 in the PRC, and one of our major customers
"CALB"	China Aviation Lithium Battery Co., Ltd. (中創新□科技集團股份有限公司), a company established in 2007 in the PRC, and one of our major customers
"CATL"	Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), a company established in 2011 in the PRC, and one of our major customers
[REDACTED]	[REDACTED]

"Changzhou Senior"	Changzhou Senior New Energy Materials Co., Ltd. (常州星源新能源材料有限公司), a limited liability company established under the laws of the PRC on 5 April 2017, and a wholly owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Shenzhen Senior Technology Material Co., Ltd. (深圳市星源材質科技股份有限公司), a joint stock company with limited liability established under the laws of the PRC
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結　有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Europe Senior"	Senior Material Ultimate Holding (Europe) AB, a limited liability company establish under the laws of Sweden on 21 December 2021, and a wholly owned subsidiary of our Company
"EVE Energy"	EVE Energy Co., Ltd. (惠州億緯　能股份有限公司), a company established in 2001 in the PRC, and one of our major customers
"Foshan Senior"	Senior Material (Foshan) New Materials Technology Co., Ltd. (星源材質(佛山)新材料科技有限公司), a limited liability company established under the laws of the PRC on 15 February 2023, and a subsidiary of our Company

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company
"Frost & Sullivan Report"	the report with respect to this [REDACTED] issued by Frost & Sullivan
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
[REDACTED]	[REDACTED]
"Gotion High-tech"	Gotion High-Tech Co., Ltd. (國軒高科股份有限公司), a company established in 2006 in the PRC, and one of our major customers
"Governmental Authority"	any governmental, regulatory, or administrative commission,

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board

"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"ISO"	the International Organisation for Standardisation, an independent, non-governmental international organisation that develops and publishes standards to ensure the quality, safety, efficiency, and interoperability of products, services, and systems
"Jiangsu Senior"	Jiangsu Senior New Energy Materials Co., Ltd. (江蘇星源新材料科技有限公司), a limited liability company established under the laws of the PRC on 12 March 2018, and a wholly owned subsidiary of our Company
"Latest Practicable Date"	26 January 2026, being the latest practicable date for ascertaining certain information in this document before its publication
"Laws"	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgements, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
"LG Energy Solution"	LG Energy Solution Ltd., a company established in 2020 in South Korea, and one of our major customers
[REDACTED]	[REDACTED]
"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange

[REDACTED]	[REDACTED]
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"Ms. Chen"	Ms. Chen Weirong (陳蔚蓉), being the spouse of Prof. Chen, and one of our Single Largest Shareholders
"Murata"	Murata Manufacturing Co., Ltd., a company established in 1944 in Japan, and one of our major customers
"Nantong Senior"	Senior Material (Nantong) New Materials Technology Co., Ltd. (星源材質(南通)新材料科技有限公司), a limited liability company established under the laws of the PRC on 18 June 2021, and a wholly owned subsidiary of our Company
"Nomination Committee"	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

"Prof. Chen"	Prof. Chen Xiufeng (陳秀峰), the founder, executive Director, chairman of the Board and general manager of our Company, and one of our Single largest Shareholders
"PRC" or "China"	the People's Republic of China, but for the purposes of this document only (unless otherwise indicated) excluding Hong Kong the Macau Special Administrative Region of the PRC and Taiwan Province
"PRC Company Law"	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Government Body"	has the meaning ascribed to it under the Listing Rules
"PRC Legal Advisor"	King & Wood Mallesons, our legal advisor on PRC laws
"Principal Subsidiaries"	our principal subsidiaries as identified in "History and Corporate Structure — Principal Subsidiaries and Operating Entities"
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Restricted Stock(s)"	restricted stock(s) granted under the 2022 Share Incentive Plan
"RMB or Renminbi"	Renminbi, the lawful currency of China
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAFT"	Saft Groupe SAS, a company established in 1918 in France, and one of our major customers
"Samsung SDI"	Samsung SDI Co., Ltd., a South Korean company founded in 1970, and one of our major customers
"SEA"	Southeast Asia
"SFC"	Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
"Share Incentive Plans"	the share incentive plans of our Company currently in effect, including the 2023 Share Incentive Plan and the 2024 Share Incentive Plan
"Share Option(s)"	stock option(s) granted under the 2023 Share Incentive Plan and the 2024 Share Incentive Plan (as the case may be)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen

"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Sunwoda"	Sunwoda Electronic Co., Ltd. (欣旺達電子股份有限公司), a company established in 1997 in the PRC, and one of our major customers
"Track Record Period"	the three years ended 31 December 2022, 2023, 2024 and nine months ended 30 September 2025
"U.S.", "US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdictions
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
"UK"	the United Kingdom, it territories, its possessions and all areas subject to its jurisdictions
[REDACTED]	[REDACTED]
"VAT"	value-added tax
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"2022 Share Incentive Plan"	our employee incentive plan approved and adopted by our Board on 25 January 2022 and by the extraordinary general meeting of our Company on 21 February 2022
"2023 Share Incentive Plan"	our employee incentive plan approved and adopted by our Board on 24 October 2023 and by the extraordinary general meeting of our Company on 9 November 2023
"2024 Share Incentive Plan"	our employee incentive plan approved and adopted by our Board on 10 September 2024 and by the extraordinary general meeting of our Company on 27 September 2024

"%"	per cent

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In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"AGV"	automated guided vehicle
"AI"	artificial intelligence
"automated mass assembly"	a manufacturing process in which large quantities of identical or similar products are put together using machinery and robotics with minimal human involvement
"base film"	the initial layer of material typically made from polymers such as polyethylene or polypropylene and undergoes various processing steps to achieve the desired properties for use in batteries
"breathability"	the ability of the separator material to allow the passage of gases and ions while maintaining its structural integrity
"CAGR"	compound annual growth rate
"casting"	a method for producing films by spreading liquid resin, a resin solution, or a dispersion onto a moving carrier, curing it by appropriate methods, and then stripping the formed film from the carrier
"ceramic alumina"	a widely used coating material for separators to enhance their thermal stability and mechanical strength, contributing to the overall safety and performance of the battery
"ceramic board"	a type of electronic circuit board made from ceramic materials such as aluminium nitride, aluminium oxide or beryllium oxide
"coated separator"	a type of battery separator that has an additional layer or coating applied to its surface
"coated thickness"	the thickness of the additional layer or layers applied to the base separator material
"composite coating"	a surface layer created by applying a mixture of two or more distinct materials to a substrate
"composite base film"	a multi-layered material consists of a base layer made from a polymer which is used to enhance the performance and safety of the separator

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"consumer electronics battery"	a type of battery specifically designed to power consumer electronic devices such as smartphones, laptops, cameras and other portable gadgets
"crystalline polymer membrane"	a separator made from polymers that exhibit a crystalline structure, which is used to separate the anode and cathode in lithium-ion batteries, preventing short circuits while allowing the flow of ions
"desalination efficiency"	how effectively a desalination process converts saline water (such as seawater or brackish water) into fresh, usable water
"die head"	the component in the extrusion or casting machine that shapes and distributes the molten material into a thin film as it exits the machine
"dry process"	a solvent-free, physical pore formation technology by melting the raw materials such as polypropylene or Polyethylene
"dry process separator"	a type of battery separator produced using a dry manufacturing process
"dry process single-drawing technology"	a method used in the production of lithium-ion battery separators that involves the extrusion of raw materials, such as polypropylene, into a uniform melt, which is then cast into a base film
"energy density"	the amount of energy stored in a given system, substance, or material per unit of volume or mass
"electrocatalytic membrane"	a specialised membrane that incorporate electrocatalysts to facilitate electrochemical reactions
"electrolyte membrane"	a semipermeable membrane designed to conduct ions, typically protons, while acting as an electronic insulator and reactant barrier
"energy storage battery"	a device that stores electrical energy for later use
"EV"	electric vehicle
"extrusion"	a processing method in which material passes through the interaction between the extruder barrel and screw, being simultaneously heated and plasticised while being pushed forward by the screw, then continuously passing through the die head to form products or semi-finished products with various cross-sections

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"fibre nanofication"	the process of converting conventional fibres into nanofibres, fibres with diameters typically in the nanometre range
"functional separator"	a type of battery separator that not only performs the basic function of separating the anode and cathode to prevent short circuits but also incorporates additional functionalities to enhance battery performance
"g/m^2"	grammes per square metre
"$g/(m^2 \bullet 24h)$"	grammes per square metre per 24 hours
"gf"	gramme-force
"gas separation membrane"	a specialised, semi-permeable material designed to selectively allow certain gases to pass through it while blocking or slowing others
"gravimetric energy density"	the amount of energy stored per unit mass of a substance
"graphite anode"	a type of electrode made primarily from graphite and is most commonly used as the negative electrode in lithium-ion batteries
"Gurley value"	a measure of the air permeability of a membrane or porous material, representing how easily air can pass through it
"heat exchange separator"	a device used in heat exchange systems to separate different phases of a fluid, such as liquid and gas, while facilitating efficient heat transfer between them
"hollow fibre membrane"	a type of artificial membrane that consists of thin, tube-like structures made from polymer materials such as polysulfone or polyethersulfone
"horizontal thermal shrinkage rate"	the percentage change in the dimensions of a material in the horizontal direction when it is subjected to thermal conditions, such as heating or cooling
"humanoid robot"	a robot designed to resemble and mimic the human body in form and function
"interphase formation"	the development of a interphase at the interface between an electrode and an electrolyte in batteries

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"interfacial impedance"	a measure of the resistance and reactance encountered by the flow of electric current at the interface typically between an electrode and an electrolyte in an electrochemical cell, such as a battery or fuel cell
"Kgf/cm^2"	kilogramme-force per square centimetre
"kPa"	kilopascal
"LATP"	lithium aluminium titanium phosphate
"LFP"	lithium iron phosphate, a type of lithium-ion battery that uses lithium iron phosphate as the cathode material and a graphitic carbon electrode with a metallic backing as the anode
"lithium-ion battery"	rechargeable batteries that utilise lithium ions as conductive ions that move between the anode and cathode, and charge and discharge through the mutual conversion of chemical energy and electrical energy
"lithium metal anodes"	an electrode made of pure lithium metal and is used as the negative electrode in certain types of advanced batteries, particularly lithium metal and some next-generation solid-state batteries
"MES"	manufacturing execution system, a software-based solution used in manufacturing to monitor, control and optimise production processes on the shop floor
"MPa"	megapascal
"mS/cm"	milliSiemens per centimetre
"microporosity forming technology"	creating a microporous structure within the separator material to enhance its performance in lithium-ion batteries
"nanofibre coating"	a coating technology that utilises low-dimensional nanomaterials as composite reinforcement materials to achieve ideal thickness, heat resistance exceeding and breakdown temperature
"NEV"	new energy vehicle
"oil coating"	a type of coating that uses natural or synthetic oils as the primary component
"PE"	polyethylene
"PEO"	polyethylene oxide

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"photovoltaic green energy"	electricity generated from sunlight using photovoltaic technology, specifically solar panels
"PI"	polyimide
"PMC"	product material control
"polyolefin"	polymer of ethylene, propylene, or higher olefins
"pore-forming agent"	Substance added to materials to create pores or voids within the structure
"porosity"	the proportion of internal pores within the apparent volume of granular materials, an important parameter that affects the fluid transmission performance in porous media
"porous membrane"	a type of membrane that contains tiny pores or holes, allowing certain substances to pass through while blocking others
"PP"	polypropylene
"PPO"	polyphenylene oxide, a high-performance thermoplastic polymer derived from phenols
"proton conductivity"	the ability of a material to conduct protons through its structure
"puncture strength"	a measure of a material's ability to withstand penetration by a sharp or pointed object
"PVDF"	polyvinylidene fluoride, a high-performance thermoplastic fluoropolymer produced by the polymerization of vinylidene difluoride
"quartz component"	a part made from quartz, a hard, crystalline mineral composed of silicon dioxide
"reductive resistant"	the ability to withstand reduction, which are chemical reactions caused by gaining electrons, when exposed to an electron-rich environment, such as that created by a lithium metal anode
"semi-solid-state electrolyte separator"	a key component in semi-solid-state batteries to enhance battery performance and safety
"shutdown temperature"	the specific temperature at which the separator material melts or closes its pores, effectively stopping the flow of ions between the anode and cathode

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"SMT"	surface mount technology, a method used in electronics manufacturing where electronic components are mounted directly onto the surface of a printed circuit board
"sodium-ion battery"	batteries that utilise sodium ions as conductive ions that move between the anode and cathode, and charge and discharge through the mutual conversion of chemical energy and electrical energy
"solid ionic conductor"	a solid material that can conduct electrically charged atoms or molecules through its structure, allowing ionic movement while remaining in the solid state
"solid-state battery"	a type of rechargeable lithium-ion batteries that use solid-state electrolyte
"solid-state electrolyte membrane"	a crucial component in solid-state batteries designed to replace traditional liquid electrolytes
"stretch"	a method that aligns the macromolecular chains in a polymer along the direction of an external force, thereby improving the structure and mechanical properties of the polymer
"ternary lithium-ion battery"	a type of batteries that integrates a cathode composed of three metallic elements, such as nickel, cobalt and manganese
"thermal runaway time"	the duration it takes for a system, such as a battery, to reach a state of thermal runaway
"thermal shrinkage rate"	a measure of how much a material contracts in size when subjected to a specified elevated temperature for a certain period
"thermoelectric semiconductor"	a material that can convert temperature differences into electrical voltage and vice versa
"uniaxial stretching technology"	a method used to manufacture lithium-ion battery separators through stretching the base film in one direction at controlled temperatures
"volatile organic solvents"	organic chemicals that easily evaporate at room temperature due to their high vapour pressure
"volumetric energy density"	the amount of energy stored in a given system or substance per unit volume
"water treatment membrane"	a barrier that allows water to pass through while blocking contaminants based on properties such as size or charge

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"waterproof and breathable membrane"	a specialised membrane designed to provide both water resistance and breathability
"WCS"	warehouse control system, a software application designed to manage and direct the real-time activities within a warehouse or distribution centre
"wet process"	a chemical microporosity formation technology by using solvents to dissolve polymers
"wet process separator"	a type of battery separator produced using a solvent-based manufacturing process
"white oil recycling"	the process of collecting, treating and repurposing used white oil, which is a highly refined mineral oil used in various industrial and cosmetic applications
"WMS"	warehouse management system, a software application designed to optimise and manage the daily operations within a warehouse or distribution centre
"μm"	micrometres
"μm/pa • s"	micrometres per pascal-second, a unit used to measure air permeance

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "aspire," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would," "vision," "target," "schedule," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimise pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;

- our business strategies and plans to achieve these strategies, including our service and expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, forei

money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position, results of operations, prospects and reputation could be materially and adversely affected.

The average selling price of our products may face downward pressure, which will adversely affect our profit margins, result of operations and financial condition.

The average selling price of our products is influenced by a variety of factors beyond our control, including but not limited to raw material costs, competitor pricing, market trends and labour costs. During the Track Record Period, the average selling price of our battery separator products experienced a downward trend due to market competition. As a result, our gross profit decreased by 23.7% from RMB1,290.4 million in 2023 to RMB984.3 million in 2024, and decreased by 19.1% from RMB773.2 million for the nine months ended 30 September 2024 to RMB625.6 million for the nine months ended 30 September 2025. Our gross profit margin amounted to 44.8%, 43.3%, 28.1%, 30.0% and 21.3% in 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025. See "Financial Information — Description of Principal Consolidated Statements of Comprehensive Income Items." We cannot predict the future trend of the average selling price of our products, nor can we guarantee that the fluctuation of average selling price will not continue. Any decline in the average selling price could result in reduced gross profit margins and gross profit, which may adversely affect our results of operations and financial condition.

All of our revenue is derived from lithium-ion battery separators. Such relatively homogeneous product mix may cause risks in relation to policy restrictions and shifts in market demands.

Our income relies on the sales performance of the lithium-ion battery separators. As such, our product mix is relatively homogeneous and, to some extent, lacks diversity which may expose us to more risks and uncertainties in times of volatile market conditions compared with those of our competitors that generate their income from a more diversified product portfolio.

In particular, we may be subject to changes in relevant policies and shifts in market demand. If the relevant regulatory bodies were to impose additional requirements in accordance with laws and regulations on the production of lithium-ion battery separators or the purchase of certain raw materials, our business operations and financial performance could be materially and adversely affected. In addition, the market demand for lithium-ion battery separators may be subject to changes such as consumer demand for the products of the new energy vehicle and electrical energy storage industries as a whole, which is beyond our control. This may in turn affect our business, results of operations and financial condition.

Our business is subject to the market forces in the new energy vehicle and energy storage industries and our results are dependent in part on the changes in our customers' industries and market demand for their end products.

Our principal activities are dependent on the market forces in the NEV and energy storage industries. The demand for lithium-ion battery separators is dependent on factors such as the use of lithium-ion batteries for NEV and energy storage in end markets, new technological developments resulting in new products and/or technology substitutions, and general economic conditions. The demand for lithium-ion batteries has been growing rapidly in recent years, mainly due to the rapid growth in demand for NEVs and energy storage. See "Industry Overview". Moreover, our customers generally work with us to design and develop our products for use in their end products, such as new energy batteries and NEVs. Accordingly, demand for our separator products depends in part on the demand for the end products of our customers, and the pace of industry acceptance and adoption of new technologies or standards. Any reduction in demand or activity in such industries could cause our customers to reduce their orders from us, which may materially affect our business, financial condition and results of operations.

There is no assurance that the demand for batteries for NEVs and electrical energy storage will continue to increase. In addition, if a more advanced substitute for lithium-ion batteries gains market acceptance and/or we fail to anticipate the industry trends of the end markets that we serve, our business, financial condition, results of operations and prospects may be materially and adversely affected.

If we fail to keep up with rapid changes in technologies or adapt our technology to emerging industry standards, or if our efforts to invest in new technologies are unsuccessful or ineffective, or if lithium-ion batteries are replaced by other types of battery, our business may be materially and adversely affected.

To remain competitive, we must continue to improve our technologies and enhance the quality of our products. The lithium-ion battery separator industry is becoming increasingly competitive as there has been a growing number of new industry entrants, and investments in new technologies, processes and techniques have been rising. Any of these factors could render our existing technologies or products obsolete. Therefore, our success depends, in part, on our ability to identify, develop, acquire or license leading technologies applicable to our business. We cannot assure you that we will be able to successfully develop or acquire or effectively apply new technologies, recoup relevant development or acquisition costs, or adapt our products accordingly to meet emerging industry standards. If we fail to achieve any of the abovementioned goals, whether for technical, legal, financial or other reasons, our business, financial condition and results of operations may be materially and adversely affected.

In addition, there are many types of batteries that can convert chemical energy into electrical energy. After years of development, lithium-ion batteries have been proven to be the most efficient and mature for the new energy industry. Although it is unlikely that lithium-ion batteries will be replaced by other types of batteries in the short term, with the

continual advances made in science and technology, a more effective product may replace lithium-ion batteries in the future. In that case, our business, financial condition, and results of operations would be materially and adversely affected.

Our interest-bearing indebtedness exposes us to interest rate risk in relation to our floating-rate debt, and our level of indebtedness may prevent us from meeting relevant obligations under our indebtedness, which may adversely affect our ability to raise additional capital to fund our operations.

We operate in a capital-intensive industry that requires substantial capital and other long-term expenditures, including expenditures for the purchase of equipment and construction of manufacturing bases. During the Track Record Period, we had certain borrowings to finance our business operations and capital expenditures. We expect that we may continue to do so in the future and our liquidity risk may increase. As at 31 December 2022, 2023 and 2024, and 30 September 2025, our Group had borrowings of RMB3,450.0 million, RMB6,010.6 million, RMB10,384.1 million, and RMB12,590.7 million, respectively, with effective interest rates range of 2.80% to 4.40%, 2.40% to 4.25%, 2.28% to 5.59%, and 1.96% to 3.55% per annum, respectively.

We are exposed to interest rate risk resulting from interest rate fluctuations. Rising interest rates could increase interest expenses relating to our outstanding floating-rate borrowings, which could materially and adversely affect our business, results of operations, financial condition and prospects.

We cannot assure you that we will not have a substantial amount of borrowings in the future. The high amount of borrowings may (i) make it more difficult for us to fulfil our obligations under relevant indebtedness, exposing us to the risk of default, which, in turn, would negatively affect our ability to operate as a going concern; (ii) require us to allocate a higher portion of our cash flow from operations to fund repayments of principal and interest on our borrowings, thus reducing the availability of our cash flow for other purposes (such as working capital, capital expenditure and other corporate purposes); (iii) expose us to higher pressure under adverse economic or industry conditions; (iv) limit our flexibility in planning for strategic targets, or reacting to changes in our business or in the industry in which we operate; (v) potentially restrict us from pursuing potential strategic business opportunities; (vi) limit our ability to borrow additional funds; (vii) increase our exposure to interest rate fluctuations; (viii) increase our exposure to unpredictable adverse events, such as not having enough cash to cover potential product liability and/or expenses for upgrading technologies or constructing manufacturing facilities; and (ix) limit our finance budget, each of which will materially and adversely impact our business, results of operations and financial condition.

As a result of the covenants and restrictions, our business may be limited, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. A breach of any of the restrictive covenants could result in a default with respect to the related indebtedness. If a default occurs, the relevant lenders could demand immediate payment. This, in turn, could cause cross-default or

payment acceleration of our other debts. In the event that some or all of our debt payments are accelerated and become immediately due and payable, we may not have the funds to repay, or the ability to refinance, such debt.

We face various risks associated with our international operations, and our inability to effectively manage and contain them could adversely affect our business and performance.

While we generated a majority of our total revenue during the Track Record Period from sales to customers located in the PRC, we also made sales to overseas customers in countries and regions such as South Korea, Japan, SEA and Europe. In line with our strategies, we intend to continue to expand our international operations in the coming years. The demand for and market acceptance of our products marketed and sold abroad are subject to uncertainty and can be heavily influenced by local conditions and customs tariff policies. While we expect the PRC will continue to be our primary market, we may expand the sales of our products overseas, which will expose us to a number of risks, including, but not limited to:

- fluctuations in foreign currency exchange rates;
- increased costs associated with maintaining the ability to understand the local markets and develop and maintain effective marketing and distributing presence in various countries;
- providing customer service and support in these markets;
- difficulty with staffing and managing overseas operations;
- failure to develop and implement appropriate risk management and internal control structures tailored to overseas operations;
- difficulty and cost relating to compliance with different commercial and legal requirements of the overseas markets in which we offer or plan to offer our products;
- failure to obtain or maintain permits for our products or services in these markets;
- different safety concerns and measures needed to address accident-related risks in different countries and regions;
- inability to obtain, maintain or enforce intellectual property rights;
- unanticipated changes in prevailing economic conditions and regulatory requirements; and
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses.

The success of our overseas expansion plans depends on whether we could adequately, timely and effectively address the risks associated with overseas operations, such as failure to adopting different legal framework and government policies, restrictions or requirements relating to foreign investments, non-compliance with the requirements of applicable sanctions, antibribery and related laws and regulations, failure to protect our reputation from negative publicity against us, and limitations on ability of non-nationals to reside and work in such countries. We may not be able to develop and implement policies and strategies that will be effective in each location where we do business. A change in one or more of the factors described above may have a material adverse effect on our business, financial condition and results of operations.

Failure to compete effectively may materially and adversely affect our business, financial condition, results of operations and prospects.

According to Frost & Sullivan, the market size of global battery separator industry by shipment volume increased from 6.4 billion m^2 in 2020 to 27.7 billion m^2 in 2024 at a CAGR of 44.5%. Continual advances in related technologies in the lithium-ion battery separator industry, the economies of scale facilitated by capital investment and the rapid increase in production capacity have, on the one hand, resulted in a gradual reduction of production costs, and, on the other, made market competition increasingly fierce.

We may face strong competition from our existing competitors as well as new industry entrants. If we are unable to maintain our competitive advantages and compete successfully against our competitors and new industry entrants in the future, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions.

We are subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected. Our revenue generated overseas amounted to RMB543.7 million, RMB469.2 million, RMB401.0 million, RMB311.8 million and RMB398.5 million, respectively, in 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025, accounting for 19.0%, 15.7%, 11.4%, 12.1% and 13.6% of our total revenue during the same periods. A large portion of our overseas revenue was generated from South Korea, Japan, SEA and Europe. The severity and frequency of international trade friction and disputes have increased in recent years. We cannot guarantee you that these countries will not strengthen their import policies or product certification requirements for lithium-ion battery separators in the future, which may have an adverse effect on our operations.

In recent years, complexities in international relations, such as the geopolitical tensions between the United States and China, have presented new challenges. In particular, on September 13, 2024, the Office of the United State Trade Representative announced a plan to raise the additional tariff rate applicable to U.S. imports of lithium-ion EV batteries and lithium-ion non-EV batteries from China, pursuant to Section 301 of the Trade Act of 1974, to 25%, effective from September 27, 2024 and January 1, 2026, respectively. Starting from March 4, 2025, the additional tariffs on imports from China imposed by the U.S.

government has been raised to 20%. On March 26, 2025, the U.S. government announced to impose a 25% tariff on automobiles and certain automobile parts imported from all countries pursuant to authority granted by Section 232 of the Trade Expansion Act of 1962. In April 2025, the U.S. government raised tariffs to 145% on all imports from China. In

the applicability of the Final Rule. Notably, President Trump issued the America Investment Policy Memorandum on 21 Februar

We are subject to customer concentration risk and the loss of, or a significant reduction in purchases from, any of our major customers would significantly reduce our profitability and materially and adversely affect our prospects, business, results of operations and financial condition.

During the Track Record Period, a majority of our lithium-ion battery separators were sold to a relatively limited number of customers, and we expect our customer concentration to remain at a relatively high level in the near future. Our key customers include LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda. In 2022, 2023, 2024 and the nine months ended 30 September 2025, the revenue contributed by our top five customers in each period accounted for 67.4%, 63.8%, 50.9% and 61.5% of our total revenue, respectively. As such, we may be subject to concentration risks from these major customers. We cannot assure you that we will be able to maintain our relationships with our major customers in the future. Our major customers are not obliged in any way to continue to cooperate with us in the future at a level that is similar to that in the past, or at all. Should any of our major customers reduce substantially their demand for our products or terminate its business relationship with us entirely, or fail to set

policy could directly affect the profitability of the EV manufacturers in the short term and some of them may choose to pass down such increased costs to end customers, which may discourage end customers from choosing EVs, and thus affect the overall market demand of EV battery products and lithium-ion battery separators.

In addition, in the context of the national goal of becoming carbon neutral, the energy storage market in China has welcomed a series of favourable policies. For instance, Action Plan for Carbon Dioxide Peaking Before 2030 (2030), issued by the State Council in 2021, unveiled a series of action plans to accelerate energy storage development. As for ESS industry, on 23 July 2021, the National Development and Reform Commission (the "NDRC") and the National Energy Administration (the "NEA") issued the Guiding Opinions on Accelerating the Development of New Energy Storage (Fa Gai Neng Yuan Gui [2021] No. 1051) ( ) ([2021]1051), which set the goal of achieving a cumulative installation capacity of 30 GWh of ESS by 2025, and achieving the comprehensive market development of new energy storage by 2030. On 26 July 2021, the NDRC issued the Notice on Further Improvement of the Time-of-use Pricing Mechanism (Fa Gai Jia Ge [2021] No. 1093) ( ) ([2021]1093), which encouraged the use of ESS to reduce the power load in peak hours. On 21 December 2021, the NEA issued the Regulations on Power Grid Connection and Operations (Guo Neng Fa Jian Guan Gui [2021] No. 60) ( ) ([2021]60), which included electrochemical energy storage and other new energy storage into the management of grid-connected subjects. On 29 January 2022, the NDRC and NEA issued the "14th Five-Year Plan" New Energy Storage Development Implementation Plan (Fa Gai Neng Yuan [2022] No. 209) (" ") ([2022]209), which set the goal of enhancing the technological performance of electrochemical ESS and reduces the systematic cost by over 30% by 2025, and encouraged to innovate new energy storage business models and explore the application of business models such as shared energy storage, cloud energy storage and energy storage aggregation. The Standards for Lithium-Ion Battery Industry (2024 edition) 2024 and the Measures for the Administration of Lithium-Ion Battery Industry (2024 edition) 2024 were released by the Ministry of Industry and Information Technology, which enhanced the performance specifications requirements for lithium-ion batteries and the application requirements for production capacity expansion.

We may need to change or adapt our business focus from time to time in response to new rules and regulations regarding the end markets of our products, but may not be able to do so timely and efficiently. Any new legislation or changes in the regulatory requirements regarding our end markets could have a material and adverse effect on our end customers, which in turn could materially and adversely affect our business, financial condition and results of operations. Over the past few years, we have benefited from government policy support, driving the development of lithium-ion battery-related industries, including that of lithium-ion battery separators. However, there is no assurance that these policies will not

Our historical performance may not be indicative of our future growth.

Our revenue increased by 4.0% from RMB2,866.7 million in 2022 to RMB2,981.9 million in 2023, further increased by 17.6% to RMB3,506.2 million in 2024, and increased by 13.7% from RMB2,577.8 million in the nine months ended 30 September 2024 to RMB2,931.6 million in the same period in 2025. However, our historical growth rates may not be indicative of our future growth, and we may not be able to maintain similar growth rates in the future. Our future growth is affected by a number of factors, such as macroeconomics, industrial policies, the demand of the downstream market, the overall industrial environment of the downstream market, technological advances and market competition. We cannot assure you that we will grow at the same rate as we have in the past, or at all.

We may face management risks arising from the expansion of our business.

Our business, results of operations and financial condition depend in part on our ability to effectively implement our expansion strategies. With our rapid development, the scale of our assets and income has continued to grow and is expected to further expand, which will increase the responsibilities of our management. To effectively manage the expected growth of our operations and personnel, we will need to continue to improve our technological, operational and financial systems, policies, procedures and controls. There is no assurance that we will be able to effectively manage our growth or to implement all these systems, procedures and control measures successfully or that our new business initiatives will be successful. If our management fail to properly manage the rapid expansion of our business, or our organisational structure and management system do not improve in line with our expansion, our competitiveness may be weakened, and we may face management risks caused by rapid expansion.

Unauthorised use of our intellectual property by third parties may harm our brand and reputation, materially and adversely affect our business, and we may incur substantial expenses to protect our intellectual property rights.

We regard our patents, trademarks and other intellectual properties as critical to our success. See "Business — Intellectual Property".

We have made advanced progress and attained a large number of R&D achievements since our inception. However, some of our R&D is still in the process of patent applications. We may face risks that our applications may be rejected. In addition, some of our proprietary technologies are non-patented technologies. If such technologies are leaked or violated, our business and financial conditions may be adversely affected.

In addition, we cannot assure you that these agreements will not be breached, that we will have adequate remedies to prevent any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise be disclosed to third parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position. See "Business — Legal Proceedings and Compliance".

Furthermore, our business partners may not always comply with our contract terms prohibiting the unauthorised use of our brands, images and other intellectual property rights. The agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

Implementation of intellectual property laws in China has been developing. Monitoring the unauthorised use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of resources, including management time and attention, and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We may not be able to properly manage our production capacity.

We strategically operate our production facilities to secure efficient production with high utilisation rates. In 2022, 2023, 2024 and the nine months ended 30 September 2025, our designed production capacity amounted to 2,057.4 million m^2, 2,923.5 million m^2, 4,475.8 million m^2, and 4,111.3 million m^2, respectively. Despite the increase in our production capacity, our ability to meet the growing demands for our customers may still be constrained by limitations in our production facilities.

We expect to expand our production capacity to meet customers' expected demands for our products. See "Business — Manufacturing". However, there is no assurance that such expansion plans will be successfully implemented as scheduled or will be commercially successful. Our production capacity expansion plan is also subject to interruptions caused by risks commonly associated with large construction and expansion projects, such as sufficiency of capital, failure to obtain requisite approvals from regulatory authorities, adverse weather conditions, natural disasters, accidents and unforeseen circumstances and problems, and other factors beyond our control. As such, we may not be able to achieve the planned production capacity expansion on time.

Furthermore, our investment in such expansion plans may not necessarily lead to the

Price fluctuations and inadequate supply of raw materials, energy, transportation and other necessary supplies or services may impact our business, financial condition and results of operations.

Our raw materials primarily consisted of thermal plastics such as PP and PE, additives, packaging and auxiliary production materials. The cost of raw materials represents a substantial portion of our total operating costs. In 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025, our cost of raw materials amounted to RMB770.3 million, RMB693.7 million, RMB1,271.1 million, RMB951.6 million and RMB1,031.9 million, respectively. We are vulnerable to price changes in raw materials, energy, transportation, and other essential supplies or services due to factors like inflation, currency fluctuations, weather changes, and shifts in supply and demand. We may not be able to offset price increases by raising the prices of our products, in which case our profit

Our manufacturing processes are potentially vulnerable to disruptions that can increase our production costs. We may experience potential disruptions in operations due to manufacturing difficulties or potential accidents.

Our manufacturing processes are complex, requiring equipment that is periodically modified and upgraded to improve manufacturing yields and product performance. From time to time, production difficulties may arise that could cause delivery delays or reduced output. There is no guarantee that we will not encounter manufacturing issues in achieving acceptable output or timely product delivery due to factors such as construction delays, challenges in upgrading or modifying existing production lines, building new plants, adapting to new manufacturing technologies or processes or delays in equipment deliveries. Any of these issues could constrain our production capacity and adversely affect our results of operations.

In addition, we may experience disruptions in our production lines due to additional factors such as labour shortages or natural disasters, which may delay our production and delivery, leading to sales loss, increased costs and damaged customer relationships. Any such event may adversely affect our business, results of operations, financial condition, and prospects.

We may be subject to liabilities associated with work-related accidents.

Our manufacturing processes entail certain risks, such as industrial accidents, which could lead to significant property damage or personal injury. Any such incident, regardless of its location, could result in substantial production interruptions and delays, or claims for significant damage due to personal injuries or property damage, thereby adversely impacting our business, financial condition and operational results.

We are subject to supplier concentration risk and any decrease in supplies and change in the business relationship with our suppliers could have a material and adverse effect on our business, financial condition, results of operation and prospect.

In 2022, 2023, 2024 and the nine months ended 30 September 2025, purchases from our top five suppliers in each period were RMB456.6 million, RMB499.7 million, RMB715.4 million and RMB647.5 million respectively, accounting for 48.2%, 47.5%, 44.2% and 50.7% of our total purchases of raw materials in the respective year/period, respectively. We believe that we have a good cooperative relationship with our key suppliers. However, we cannot assure you that there will not be any dispute with our major suppliers, or that we will be able to maintain business relationships with our existing suppliers. There is no assurance that we are able to maintain business relationship with our existing suppliers, or we will be able to secure supply of raw materials at competitive prices. If we cannot locate alternative suppliers for replacement in a timely manner and/or on comparable commercial terms, our business operation may be hindered, which could materially and adversely affect our profitability.

Work stoppages, increases in labour cost and other labour-related matters may have an adverse effect on our business.

We believe that we have a good working relationship with our employees. We have not experienced any material work stoppages, strikes or other major labour problems during the Track Record Period. However, there is no assurance that any of such events will not arise in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labour costs, which may have an adverse effect on our business, financial condition and results of operations.

In addition, labour costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Factors contributing to rising labour costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labour in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to

We may be unable to obtain additional capital in a timely manner or on commercially acceptable terms, or at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects may be adversely affected.

Fluctuations in exchange rates could have an adverse effect on the Group's results of operations.

A part of our business uses US dollar as the settlement currency. Our revenue generated overseas amounted to RMB543.7 million, RMB469.2 million, RMB401.0 million, RMB311.8 million and RMB398.5 million, respectively, in 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025, accounting for 19.0%, 15.7%, 11.4%, 12.1% and 13.6% of our total revenue during the same periods. In addition, we recorded net foreign exchange gains of RMB22.1 million, RMB1.0 million, RMB27.1 million and RMB6.9 million in 2022, 2023 and 2024 and the nine months ended 30 September 2024, respectively. We recorded net foreign exchange losses of RMB27.5 million for the nine months ended 30 September 2025, respectively. As we have expanded in, and expect to continue to explore, overseas markets, we are increasingly subject to risks associated with foreign exchange fluctuations.

Failure to maintain optimal inventory levels could increase our inventory holding costs or negatively impact our sales.

Our inventories consisted of raw materials, semi-finished goods and finished products. As at 31 December 2022, 2023 and 2024 and 30 September 2025, the balances of our inventories amounted to RMB283.7 million, RMB396.9 million, RMB518.1 million and RMB709.5 million, respectively. Our average inventory turnover days were 69.5 days, 80.7 days, 72.6 days and 77.7 days in 2022, 2023, 2024 and the nine months ended 30 September 2025, respectively. As at 31 December 2022, 2023 and 2024 and 30 September 2025, our provision for impairment of inventories amounted to RMB23.9 million, RMB43.1 million, RMB45.7 million and RMB53.3 million, respectively. One of our customers during the Track Record Period experienced deterioration of operating conditions. We proactively negotiated with such customer and made full provision of RMB12.7 million for impairment of relevant inventories associated with this customer in 2024. However, we may not be able to effectively manage our inventory level or to identify any excessive build-up or insufficient stock of inventory in our global operations. We may misjudge market demand. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices could impair the image of our brands and harm our gross margin. However, if we underestimate the demand for our products, insufficient stock could result in delays in the shipment of our products, thereby impacting our ability to generate sales and cause damages to our reputation and relationships with our customers. Therefore, failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales, either of which could adversely impact our business, financial condition and results of operations.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We recorded relatively long trade and notes receivables turnover days, which may lead to delays in converting our revenue into cash. Our cash conversion cycle, a metric measuring how efficiently we manage its working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales, was 139.8 days, 175.2 days, 223.1 days and 241.7 days in 2022, 2023, 2024 and the nine months ended 30 September 2025, respectively. The cash conversion cycle is calculated by adding average inventory turnover days and average trade and notes receivables turnover days, then subtracting average trade and notes payables turnover days. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

Our financial results may be affected by government grants.

We recorded government grants of RMB27.9 million, RMB101.8 million, RMB84.5 million, RMB83.2 million and RMB81.4 million for the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025, respectively. Not all of those grants are recurring in nature. The aforementioned grants we received are uncertain and subject to certain criteria and procedures stipulated by local governments. In addition, the development focus of local governments may shift to other industries over time. We cannot assure you that we will be able to receive any such grants in the future. If we are unable to receive future grants at the same level as we received during the past, or at all, our profitability for the period may be adversely affected.

We are exposed to credit risks related to our trade receivables.

We generally grant credit periods within 180 days to our customers. Our trade and notes receivables amounted to RMB1,492.3 million, RMB1,773.2 million, RMB2,376.1 million and RMB2,558.1 million as at 31 December 2022, 2023 and 2024, and 30 September 2025, respectively. In 2022, 2023, 2024 and the nine months ended 30 September 2025, our average trade and notes receivables turnover days amounted to 168.9 days, 204.4 days, 223.6 days and 234.5 days, respectively. Although our major customers are well-known players in the lithium-ion battery industry with good reputations, and we have established a relatively strict management system for our trade receivables, if any of our customers experience financial difficulties in settling the trade receivables due to factors beyond their control such as adverse changes in the competitive landscape and government policies of the industries in which they operate, our corresponding trade receivables recoverability might be adversely affected. One of our customers during the Track Record Period experienced deterioration of operating conditions. We proactively negotiated with such customer and made full provision of RMB50.0 million for trade receivables related to this customer in 2024.

If we are unable to collect our trade receivables from our customers in a timely manner per contractual terms or at all, or if there are any material delays in payment by our customers, our liquidity and cash management will be materially and adversely affected, which, in turn, might affect our business, financial condition and results of operation.

Impairment losses of prepayments, other receivables and other assets would adversely affect our business, financial performance and results of operations.

Our prepayments, other receivables and other assets mainly consisted of (i) prepayment for acquisition of non-current assets, mainly relating to prepayments for acquisition of equipment for our manufacturing, (ii) VAT recoverable, (iii) prepayments for materials and others, mainly relating to raw materials, and (iv) other receivables, mainly relating to lease deposits. As at 31 December 2022, 2023, 2024 and 30 September 2025, our prepayment, other receivables and other assets amounted to RMB911.3 million, RMB1,699.2 million, RMB1,891.3 million and RMB941.0 million, respectively.

We measure loss allowance of other receivables as either 12-month expected credit loss or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. All prepayment and other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable. Impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. We only recorded impairment losses for other receivables during the Track Record Period. As at 31 December, 2022, 2023, 2024 and 30 September 2025, we recorded allowance for impairment of other receivables of RMB0.4 million, RMB0.5 million, RMB0.9 million and RMB1.7 million, respectively. The assessment of impairment losses involves a significant degree of management judgements as well as estimates in determining the key assumptions. Such management's estimates and the related assumptions have been made in accordance with information available to us, such estimates or assumptions are subject to further adjustment if new information becomes known. Therefore, there is uncertainty on the prediction of the movement of impairment of prepayments, deposits and other receivables. Significant impairment losses on prepayments, deposits and other receivables may have a material adverse effect on our financial condition and results of operations.

Any failure to obtain, maintain or renew any of the requisite licences, permits, registrations and filings required for our business could adversely affect our operations.

Our operations require multiple licences, permits, filings and approvals in applicable jurisdictions. Certain licences, permits or registrations we hold are subject to periodic renewal. If we fail to maintain or renew one or more of our licences and certificates when their current terms expire, or obtain such renewals in a timely manner, our operations could be disrupted. If we fail to properly renew and maintain any of such requisite licences on time, we may face penalties. In addition, given the government regulations governing our business is evolving, it might become increasingly onerous for us to comply with such changes in regulation, and any non-compliance may expose us to liability. In case of non-compliance, we may have to incur monetary expenses and divert substantial

management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which may adversely affect our business and financial performance.

Failure to comply with environmental, fire control, and health and safety laws and regulations may subject us to fines or penalties or incur costs that could materially and adversely affect the success of our business.

We are subject to a number of environmental, fire control, health and safety laws and regulations, including, but not limited to, the treatment and discharge of pollutants into the environment during our business operations. See "Regulatory Overview". In addition, our production lines can only be put into production after the requirements of the relevant administrative authorities in charge of environmental protection, fire control, and health and safety in China have been met. We may be subject to rectification orders, fines, potentially monetary damages, or production suspensions in our business operations if we fail to meet requisite requirements within the time limit. During the Track Record Period, we were not subject to major administrative penalties due to violation of relevant environmental protection, fire control, and health and safety laws and regulations. Delays or failures in obtaining all the requisite regulatory approvals or having duly organised the relevant completion acceptance of such facilities may affect our ability to develop, manufacture and commercialise our products as planned. As such laws and regulations may evolve, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with relevant laws and regulations, we may be subject to rectification orders, fines, potentially monetary damages, or production suspensions in our business operations. In addition, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of testing, development and manufacturing of our products. In the event of such accident, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could result from such liability, including reputational damage.

Furthermore, we may be required to incur sreb-3.8(e)-

maximum level as from time to time prescribed by local authorities. During the Track Record Period and up to the Latest Practicable Date, although we have not made contributions based on the employee's actual salary level, we have not received any notice requiring us to pay any outstanding social insurance and housing provident fund contributions, nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. As advised by our PRC Legal Advisor, based on the interviews with relevant competent government authorities, assuming that there is no material pending employee claims or material change to current PRC laws and regulations and the practice in policy implementation and inspection of localgovernments, the likelihood that we would be required by relevant authorities to pay all shortfall and late fees for social insurance and housing provident fund contributions and/or be subject to material administrative penalties due to failure to make full contributions is remote.

Any negative publicity regarding our Company, Directors, employees or products, regardless of its veracity, could adversely affect our business.

Our image is sensitive to the public's perception of us as a business in its entirety, which includes not only the quality and competitiveness of our products, but also our corporate management and culture. We cannotguarantee that no one will, intentionally or otherwise, distribute information about us, especially information regarding the quality of our products or our internal management matters, that may result in a negative perception of us by the public. Any negative publicity about our Company, Directors, employees or products, regardless of veracity, could lead to potential loss of customers or difficulty in retaining or recruiting talent that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation and prospects may be materially and adversely affected.

Acquisitions, investments or strategic cooperation may fail and materially and adversely affect our reputation, business and results of operations.

We may acquire additional assets or businesses that may generate synergies when combined with our existing business. The cost of identifying and consummating acquisitions may be significant. We may also have to obtain shareholders' approvals and approvals and licences from the government authorities for the acquisitions and comply with applicable laws and regulations. Obtaining such approvals and licences may delay, if not halt, our acquisition efforts. Future acquisitions, investments and the subsequent integration of new assets and businesses into our own may entail a number of risks, including:

- increased operating expenses and capital need;
- share dilution from the issuance of additional securities;
- incurrence of debt, goodwill impairment charges, amortisation expenses for other intangible assets and contingent or unforeseen liabilities;

- diversion of our management's attention and resources from our existing business in the pursuit of such acquisition;
- frictions in the assimilation of operations, talents, intellectual property and products of an acquired business; and
- loss of key personnel and business relationships as a result of such acquisition.

We may also in the future enter into strategic cooperation with various third parties. Strategic cooperation with third parties could subject us to a number of risks, including:

- disclosure or misappropriation of proprietary information;
- defaults including breach of covenants, non-performance by the counterparty; and
- negative publicity related to these third-parties or such strategic cooperation.

If we fail to address the risks related to our future acquisitions, investments and strategic cooperation, we may not be able to realise the anticipated benefits and our reputation, business, financial condition and results of operations may be adversely affected.

We are exposed to risks relating to the retention of our senior management.

The composition and continued commitment of our senior management team has been a key element of our success and our ability to operate effectively. Our future success is also significantly dependent upon the continued service of our key executives and other personnel who make up our management team, and our ability to attract and retain personnel who have the necessary experience and expertise. If we lose our senior management member to competitors or other industries, our competitiveness, operations and ability to grow may be adversely affected.

Our business depends substantially on the continuous efforts of our talent pool comprising employees and scientists who support our existing operations and future growth. If we are unable to retain, attract, recruit or train such personnel, our business may be materially and adversely affected.

Our success depends on our ability to attract, recruit and train a large number of qualified employees and retain existing key personnel including scientists and experts. In particular, we rely on our research and development team to develop technologies and our experienced sales personnel to maintain relationships with our customers. In order to compete for talent, we may need to offer higher compensation, better training, more attractive career opportunities and other benefits to our employees, which may be costly. We cannot assure you that we will be able to attract or retain the qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labour-related regulatory or legal proceedings may divert management and financial resources, negatively affect staff morale, reduce our productivity, or harm our

reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

We rely on third parties to provide logistics services for our business. If these third parties fail to provide reliable and timely services, our business, financial condition and results of operations may be adversely affected.

We rely on third-party service providers for some services in connection with our business, such as logistics. We obtain services from third-party service providers who we believe are able to meet our requirements. However, the services provided by any of the third-party service providers may not be provided in a timely manner and the services provided by them may not be of satisfactory quality. If the third-party service providers do not perform satisfactorily, substantially reduce the amount and scope of their services, substantially increase the prices of their services or terminate their business relationship with us, we may need to replace the third-party service providers or take other remedial actions which could increase our costs of operations. As we do not have direct control over the third-party service providers, if they become involved in the unauthorised provision of services not complying with our requirements or applicable laws and regulations, our reputation in the industry will be affected. This, in turn, may materially and adversely affect our business, financial condition and results of operations.

We may be involved in claims, disputes and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment or labour disputes, antitrust, infringement of intellectual property rights, and environmental matters. See "Business — Legal Proceedings and Compliance". If we fail in defending against any such claims, we may be subject to substantial damages to compensate the claimants. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labour Dispute Cases ( ) (the "Interpretation"), which takes effect from September 1, 2025. Failure to comply with the new interpretations may impose additional obligations on us, or otherwise increase our compliance costs and expose us to potential penalties and fines.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We rely on information technology systems to facilitate communications among our employees and with suppliers and customers and other aspects of our business operations. These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during maintenance, power outages, hardware failures, malware attacks or catastrophic events. If the information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. If we do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be materially and adversely affected. In addition, if the information technology systems fail to satisfy additional requirements related to our business expansion, our future growth may be adversely affected.

Our insurance coverage may not be sufficient to cover all losses, which may increase our costs of operation.

We maintain property risk insurance and employee-related insurance for our business operations. However, the amount of coverage, depending on the insurance policies to which

RISK FACTORS

RISKS RELATING TO WHERE WE CONDUCT BUSINESS

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could affect our business, financial condition and results of operations.

A substantial part of our assets and operations are located in China. In addition, we operate our business in a number of other geographic markets globally. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future security activities.

As the PRC laws and regulations in relation to overseas [REDACTED] and [REDACTED] of shares develop, we may be required to make filings with or report to CSRC or other PRC regulatory authorities for our future capital raising activities. On 17 February 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies ( ) (the "Overseas Listing Trial Measures") and their implementation guidelines. The Overseas Listing Trial Measures, which came into effect on 31 March 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations, and the filing procedures. See "Regulatory Overview — Regulations Securities and Overseas [REDACTED]." We are required to file with the CSRC in accordance with the Overseas Listing Trial Measures after our application for the [REDACTED] is submitted, and there is uncertainty as to whether we will be able to complete the filing procedures or obtain approval for this [REDACTED] in a timely manner or at all. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. In addition, such failure may restrict our ability to complete the proposed [REDACTED] and to finance the development of our business and may have a material and adverse effect on our business, financial condition and prospects.

On 24 February 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (

) (the "Archives Rules"), which came into effect on 31 March 2023. The Archives Rules require that, in relation to the overseas securities [REDACTED] and [REDACTED] activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Any failure to comply with Archives Rules may materially and adversely affect our business, results of operations, financial conditions and prospects.

We are closely monitoring how they will affect our operations and our future financing. In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this [REDACTED] or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, prospects and the trading price of our Shares.

Development in the legal system of certain geographic markets in which we operate could materially and adversely affect us.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorised to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgement on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis or at all and may have retroactive effects. There

are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in

treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, regulations on income, withholding, value-added, and other taxes are subject to be amended or restated. Non-compliance with the tax laws and regulations in mainland China may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in mainland China and tax penalties or fines could affect our businesses, financial condition and results of operations.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realised upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC ( ) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income ( ) signed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income ( ) issued by the State Taxation Administration of the PRC ("STA") effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC ( ), and its implementation regulations, dividends paid by us and gains realised by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (H) issued by the STA, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of

the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [REDACTED] in our H Shares may be materially affected.

You may experience difficulties in effecting service of legal process and enforcing judgements against us, our most Directors, Supervisors and senior management.

We are a company incorporated under the PRC laws and a majority of our assets and subsidiaries are located in China. The majority of our Directors, Supervisors and senior management reside within China. The assets of these Directors, Supervisors and senior management also may be located within China. As a result, it may be complex and difficult to effect service of process upon or to enforce judgements against us, most of our Directors, Supervisors and senior management outside China.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (( ), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We, our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options of H shares will be subject to these regulations when we become an H-share listed company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them to fines and legal sanctions. In light of the above, we cannot assure you that we will continuously adopt additional H shares incentive plans for our directors, executive officers and employees under PRC law. In addition, the STA has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. We have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities.

RISK FACTORS

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of mainland China and Hong Kong.

As we are listed on the Shenzhen Stock Exchange and will be [REDACTED] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Stock Exchange. Under current laws and regulations of mainland China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent [REDACTED], liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [REDACTED] decision in our H Shares.

There has been no prior public market for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, and may not be an indication of the market price of our H Shares following the completion of the [REDACTED]. If an active public market for our H Shares does not develop following the completion of the [REDACTED], the market price and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] and market price of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The price and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and [REDACTED] of our H Shares. In addition to market and industry factors, the price and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows and investments, changes in our pricing policies and expenditures, regulatory developments, demand for our services, unexpected business interruptions resulting from natural disasters or power shortages, our ability to obtain or maintain regulatory approval for our operations, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility and fluctuations in trading volume in the past, and it is possible that our H Shares may be subject to fluctuations in [REDACTED] and [REDACTED] not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

Our historical dividends may not be indicative of our future dividend policy. We cannot guarantee when and in what form dividends will be paid on our H Shares following the [REDACTED]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividend Policy" for more details.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. Therefore, prospective

[REDACTED] in our H Shares should be reminded that, in making their [REDACTED]

RISK FACTORS

Certain facts, forecast and other statistics in this Document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

In preparation for the [REDACTED], we have sought the following waivers from strict

(b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number and/or email address) to the Stock Exchange and to the authorised representatives. This will ensure that the Stock Exchange and the authorised representatives should have means for contacting all Directors promptly at all times as and when required;

(c) we will endeavour to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and

(d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Goldlink Capital (Corporate Finance) Limited as our compliance advisor (the "Compliance Advisor"), who will act as an additional channel of communication with the Stock Exchange from the [REDACTED] Date to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED] Date. The Compliance Advisor will maintain constant contact with the authorised representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. Our authorised representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Hong Kong Listing Rules; and

(e) meetings between the Stock Exchange and our Directors will be arranged through the authorised representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our authorised representatives and/or our Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants (the "Guide") published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide, such waiver, if granted, will be for a fixed period of time (the "Waiver Period") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Our Company has appointed Mr. Li Sheng ("Mr. Li") as one of our joint company secretaries. Mr. Li has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Jian Xuegen ("Ms. Jian"), who is a member of both the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants and meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Mr. Li for an initial period of three years from the [REDACTED] Date to enable Mr. Li to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17. For details of their biographies, please see "Directors and Senior Management — Joint Company Secretaries."

Given Ms. Jian's professional qualification and experience, she will be able to explain to both Mr. Li and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Jian will also assist Mr. Li in organising Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Li is expected to work closely with Ms. Jian and will maintain regular contact with Ms. Jian. In addition, Mr. Li will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED] Date. He will also be assisted by the Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Li does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Li may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] Date on the conditions that (a) Mr. Li must be assisted by Ms. Jian who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Jian ceases to provide assistance to Mr. Li as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Li will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Mr. Li, having benefited from the assistance of Ms. Jian for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

CONTINUING CONNEC TED TRANSACTIONS

We have entered into and will continue to engage in certain transactions which would potentially constitute continuing connected transactions for our Company under the Listing Rules following completion of the [REDACT ED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For further details of such potential partially-exempt and non-exempt continuing connected transactions and the waivers, please see "Connected Transactions".

[REDACTED]

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Prof. Chen Xiufeng ( )	Room 13B02, Building 2 Longqin Peninsula Garden No. 63, Gaoxin South Ring Road Nanshan District Shenzhen, Guangdong PRC	Chinese
Dr. ZHANG XIAOMIN	Apartment 1203 Xingyuan Advanced Materials Industrial Park Shenzhen, Guangdong PRC	United States
Mr. Xu Liqiang ( )	Room 2901, No.6 Huarun Xingfuli Binhu District Wuxi, Jiangsu PRC	Chinese
Non-executive Director		
Mr. Zhu Bide ( )	Room 11–706, Phase 1 Haiyue Garden Nanshan District Shenzhen, Guangdong PRC	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Mr. Tang Changjiang ( )	Room 1001, Unit B Building 10, Lingyu Huafu Linghangcheng Hangcheng Avenue Baoan District Shenzhen, Guangdong PRC	Chinese
Dr. Lin Zhiwei ( )	2/F, Shum Yip Center Building 5045 Shennan East Road Luohu District Shenzhen, Guangdong PRC	Chinese
Ms. Sun Zhenzhen ( )	No. 2–912, Xinyi Lingyu Xin'an Street Bao'an District Shenzhen, Guangdong PRC	Chinese
Mr. Leung Shu Sun Sunny ( )	Room 9H, Block 23 South Horizons Ap Lei Chau Hong Kong	Chinese (Hong Kong)

For details with respect to our Directors, please see "Directors and Senior Management".

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

As to PRC law
King & Wood Mallesons
28/F, China Resources Tower
2666 Keyuan South Road
Nanshan District
Shenzhen, Guangdong
PRC

As to U.S. law
Miller, Canfield, Paddock and Stone, P.L.C.
840 W. Long Lake Road, Suite 150
Troy, Michigan
U.S.

As to Malaysian law
PHANG THAM TEOH & CO
S–15–02, Wisma YNH, Kiara
163, No. 8, Jalan Kiara, 50480
Mont Kiara, Kuala Lumpur
Malaysia

As to Swedish law
Wigge & Partners Advokat KB
Birger Jarlsgatan 25
111 45 Stockholm
Sweden

As to Swedish law in respect of environmental matters
FRÖBERG & LUNDHOLM ADVOKATBYRA AB
Olof Palmes gata 23
111 22 Stockholm
Sweden

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to the Sole Sponsor and the [REDACTED]	As to Hong Kong law and U.S. laws Sidley Austin 39/F, Two International Finance Centre 8 Finance Street Central Hong Kong As to PRC law Zhong Lun Law Firm 57/58/59/F, Tower A, Ping An Finance Centre, 5033 Yitian Road Futian District Shenzhen, Guangdong PRC
Auditor and Reporting Accountants	Rongcheng (Hong Kong) CPA Limited Certified Public Accountants Registered Public Interest Entity Auditor Unit 4301–07, 43/F, COSCO Tower 183 Queen's Road Central Hong Kong
Industry Consultant	Frost & Sullivan(Beijing) Inc., Shanghai Branch Co. Wheelock Square 25/F, Suite 2504–2505 1717 Nanjing West Road Jing'An District Shanghai 200040 PRC
Compliance Advisor	Goldlink Capital (Corporate Finance) Limited 28/F, Bank of East Asia Harbour View Centre 56 Gloucester Road Wanchai Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered office and headquarter	Tianyuan Road Gongming Town Guangming District Shenzhen, Guangdong PRC
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
Company's Website	www.senior798.com (The information contained in this website does not form part of this document)
Joint company secretaries	Mr. Li Sheng C1–5E, Cuihai Garden Nongyuan Road Futian District Shenzhen, Guangdong PRC Ms. Jian Xuegen (member of Hong Kong Institute Certified Public Accountants and PRC Institute Certified Public Accountants) 40/F Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
Authorised representatives	Dr. ZHANG XIAOMIN Apartment 1203 Xingyuan Advanced Materials Industrial Park Shenzhen, Guangdong PRC Ms. Jian Xuegen (member of Hong Kong Institute Certified Public Accountants and PRC Institute Certified Public Accountants) 40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong

CORPORATE INFORMATION

Audit Committee	Dr. Lin Zhiwei (Chairperson) Mr. Tang Changjiang Mr. Zhu Bide
Remuneration and Appraisal Committee	Mr. Tang Changjiang (Chairperson) Dr. Lin Zhiwei Mr. Xu Liqiang
Nomination Committee	Ms. Sun Zhenzhen(Chairperson) Mr. Tang Changjiang Dr. ZHANG XIAOMIN
Strategy and Development Management Committee	Prof. Chen Xiufeng (Chairperson) Mr. Tang Changjiang Ms. Sun Zhenzhen
[REDACTED]	[REDACTED]
Principal Bank	Industrial and Commercial Bank of China Limited Shenzhen Yantian Branch No.99, Jinrong Road Yantian District Shenzhen, Guangdong PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on battery separator industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB380,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

OVERVIEW OF GLOBAL AND CHINA LITHIUM-ION BATTERY INDUSTRY

Definition and Classifications

Lithium-ion battery is a type of rechargeable battery that achieves its charging and discharging process through the flow of lithium ions between the cathode and anode. In comparison to rechargeable alkaline battery, lithium-ion battery offers higher energy density, longer life cycle, and better safety performance. According to application scenarios, lithium-ion battery can primarily be classified into three major categories: electric vehicle battery, energy storage battery, and consumer electronics battery, which are primarily applied for transportation vehicles, energy storage facilities, consumer electronics and industrial machinery.

In addition to these core segments, lithium-ion battery is also increasingly being adopted in emerging applications such as electric tools, unmanned aerial vehicles, robotics, electric aviation and marine electrification. These sectors are expected to become important growth engines for the battery industry, supported by the global shift toward electrification, automation, and lightweight energy solutions. The rapid expansion of lithium-ion battery is unlocking vast new market potential, laying a strong foundation for sustained demand growth across the battery supply chain including high-performance battery separator, which plays a critical role in ensuring safety, efficiency, and reliability across increasingly diverse and high-specification applications.

Value Chain Analysis

The value chain of lithium-ion battery industry comprises of

market. The lithium-ion battery shipments from other regions outside China is expected to reach over 2,000 GWh by 2029, representing a CAGR of 39.4%, which is higher than that in China, and increasing to over 40% share of the global market.

Notably, driven by the continued penetration of NEVs and the rapid adoption of energy storage including for user side, Europe and the U.S.'s market share in term of lithium-ion battery by shipment volume is expected to increase from 9.9% and 7.0% in 2024 to 20.3% and 17.0% in 2029, respectively. In response, leading lithium-ion battery manufacturers are actively expanding production capacity in Europe and the U.S., which in turn drives the global lithium-ion battery supply chain including the battery separator industry to accelerate their expansion and localization in these regions.

Market Size of Global and China EV Battery Industry

Global NEV sales grew from approximately 3.2 million units in 2020 to 19.0 million in 2024, representing a CAGR of 56.5%, with China accounting for 67.8% of global sales at 12.9 million units. As consumer acceptance continues to rise, global NEV sales are projected to reach 40.7 million units by 2029, growing at a CAGR of 16.5% from 2024. China is expected to maintain its leading position, with sales reaching 27.7 million units by 2029, representing 68.1% of global NEV sales.

The rapid expansion of the NEV market has significantly boosted demand for EV batteries. Global EV battery shipments rose from approximately 177.6 GWh in 2020 to 1,037.8 GWh in 2024, achieving a CAGR of 55.5%. Going forward, the global EV battery shipment volume is expected to grow from 1,037.8 GWh in 2024 to 3,369.9 GWh in 2029 at a CAGR of 26.6% In China, EV battery shipments surged from 80.0 GWh in 2020 to 783.5 GWh in 04.3(leadi86.7(appr1(%)s)-6)-3.7()-304.4(.4(04a86.7(a7(o)-3.3(f)-32680.1(2)-3.6)3.53(tio)7-.3

by 2029, growing at a CAGR of 13.5% from 2024. From other regions outside China, energy storage battery shipments are expected to reach over 500 GWh in 2029, representing a CAGR of 56.8% from 2024.

Market Size of Global and China Consumer Electronics Battery Industry

Consumer electronics, including smartphones, tablets, laptops, wearables, and AR/VR devices, have seen stable demand driven by advances in mobile internet, IoT, AI, and rising disposable income. Global shipment volume increased from 2,178.2 million units in 2020 to 2,193.2 million units in 2024, representing a CAGR of approximately 0.2%, and is expected to reach over 2,700 million units in 2029. Similarly, the market size by shipment volume of consumer electronic products in China increased from 519.8 million units in 2020 to 525.4 million units in 2024, representing a CAGR of approximately 0.3%. Looking ahead, growing demand for smartphone upgrades and deeper AI integration in devices is expected to boost market growth, with China's shipments forecast to reach 761.5 million units by 2029, maintaining a 27.6% share of global volume.

The global consumer electronics battery market grew modestly from 89.3 GWh in 2020 to 91.4 GWh in 2024 with a CAGR of 0.6%, but is expected to expand more robustly to 128.0 GWh by 2029 with a CAGR of 7.0% from 2024 as products become more intelligent, compact, and multifunctional. In China, consumer electronics battery shipments rose from 31.0 GWh in 2020 to 33.7 GWh in 2024 at a CAGR of 2.1% and are projected to reach 49.0 GWh by 2029 representing a CAGR of 7.8% from 2024, driven by 5G adoption and the broader use of AR/VR devices.

OVERVIEW OF GLOBAL AND CHINA BATTERY SEPARATOR INDUSTRY

Definition and Classifications

A battery separator is a type of polymeric membrane. As an indispensable component of lithium-ion batteries, separators prevent electrical short circuits and provide a pathway for lithium ions to move between cathode and anode, thus having a significant impact on the performance of lithium-ion battery products.

Separators can be classified into dry process separators and wet process separators. Dry process separators are generally made of polypropylene (PP) or polyethylene (PE). Due to the relatively high shut-down point and low thermal shrinkage rate, dry process separators have a higher thermal stability, which ensures a better safety performance. Wet process separators are made of polyethylene (PE). With less thickness, better pore size distribution and larger range of controllable porosity, wet process separators facilitate the transportation of lithium ions between electrodes, allowing the batteries to improve the energy density. The coating process can be applied to both dry and wet process separators, which can significantly increase the separators' thermal stability, puncture strength and safety performance. In wet process separators, coatings are primarily employed to improve high-temperature stability, which is critical for high-energy-density batteries, while in dry process separators, coatings focus on enhancing wettability, mechanical strength, and uniformity, supporting cost-sensitive or high-temperature applications. Generally, approximately 80% of wet process separators undergo coating, reflecting the high safety

and performance demands of high-energy-density battery applications, whereas around 20% of dry process separators are coated, consistent with their broader use in cost-sensitive and moderate-performance applications. This distribution underscores the critical role of coating in enabling wet process separators to meet advanced battery performance requirements.

Value Chain Analysis

Major upstream suppliers in the battery separator industry encompass raw material suppliers and equipment manufacturers. Raw material suppliers provide materials such as polyethylene (PE), polypropylene (PP), additives, packaging and auxiliary production materials, while the equipment suppliers provide machineries and tools. The leading battery separator manufacturers with in-house design capability equipment for both dry and wet process separators that is highly compatible with their proprietary production techniques, which will enable them to produce high-quality separators with high level of precision and production efficiency. Separators are crucial to the batteries not only because they prevent short circuits, but they also act as last resorts that shut off the flow of lithium-ions if the battery overheats and explodes. Leading battery separator manufacturers at the midstream offer dry and wet process separators and also conduct coating process based on demands from customers, which enhances thermal shutdown capability, safety performance, and compatibility with battery chemistries. The battery separators are applicable to lithium-ion batteries for a wide range of application scenarios, including new energy vehicles, electrical energy storage facilities, consumer electronics, etc.

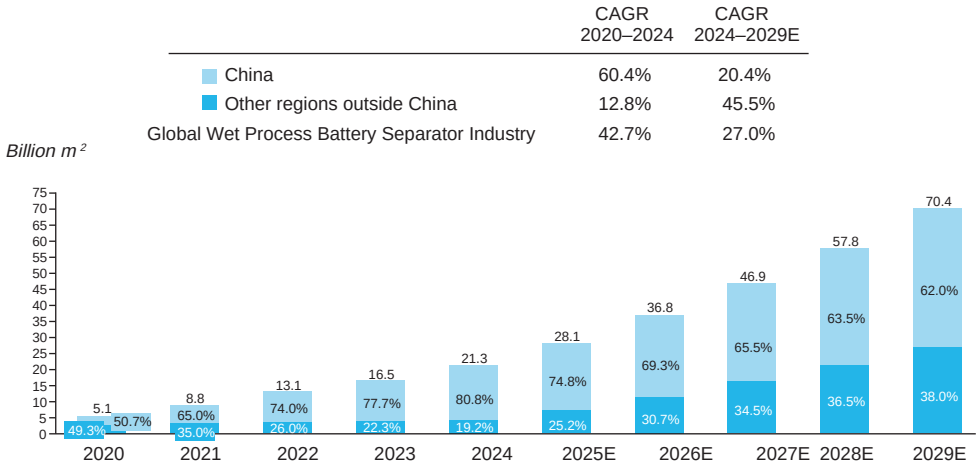
Market Size of Global and China Battery Separator Industry

The market size of global battery separator market by shipment volume increased from 6.4 billion m^2 in 2020 to 27.7 billion m^2 in 2024 at a CAGR of 44.5%. In 2024, China had the largest shipment volume of battery separator in the world, accounting for around 84.0% of the market in major countries. Going forward, driven by the additional government mandates and technological advancements, it is forecasted that the market size of global battery separator market by shipment volume will increase from 27.7 billion m^2 in 2024 to 84.1 billion m^2 in 2029, representing a CAGR of 24.8%. Meanwhile, driven by the rapid increase in local lithium-ion battery and separator production capacities in Europe and the U.S., supported by rising NEV penetration in both regions and high annual growth in energy storage installations, regional manufacturers are accelerating local production to enhance supply chain resilience, shorten logistics cycles, reduce transportation costs, and meet increasingly stringent local requirements for quality, sustainability, and traceability. Geopolitical uncertainties and the growing emphasis on supply chain security are further strengthening the motivation for onshore production. At the same time, closer collaboration between material suppliers, battery producers, and downstream users is improving efficiency and enabling faster product innovation. Together with the overseas expansion of leading Chinese separator companies to support globalised battery supply chains, these forces are expected to significantly increase the shipment share outside China is expected to rise significantly from 16.0% in 2024 to 34.1% in 2029 reflecting a CAGR of 45.3%.

INDUSTRY OVERVIEW

The global wet process battery separator market by shipment volume grew from approximately 5.1 billion m^2 in 2020 to about 21.3 billion m^2 in 2024, at a CAGR of 42.7%. In 2024, China dominated the market with an 80.8% share. Moving forward, the market is projected to expand from 21.3 billion m^2 in 2024 to 70.4 billion m^2 in 2029, at a CAGR of 27.0%. Notably, the market share outside China is expected to rise from 19.2% in 2024 to 38.0% in 2029 with a CAGR of 45.5%, driven by accelerated demand growth in international markets as well as Chinese enterprises' strategic overseas expansion. Leveraging their advanced manufacturing technologies, strong research capabilities, and integrated supply chains, Chinese companies are rapidly establishing production bases abroad to efficiently meet growing global battery demand, enhance supply chain resilience, and maintain cost competitiveness, thereby reinforcing their leading position in the global wet process battery separator market.

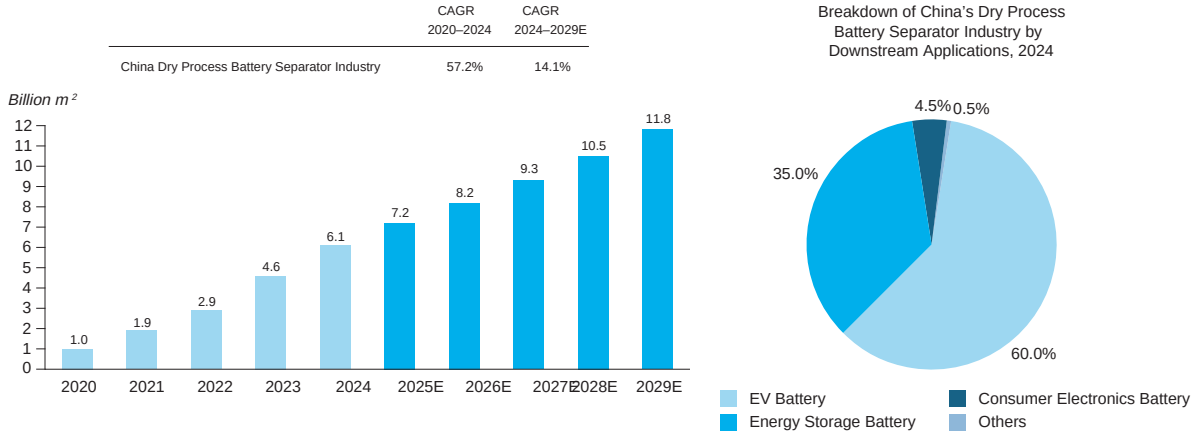
Global Wet Process Battery Separator Industry by Shipment Volume, 2020–2029E



Source: Interviews with industry experts by Frost & Sullivan

From 2020 to 2024, the shipment volume of dry process battery separator from China increased from approximately 1.0 billion m^2 to approximately 6.1 billion m^2, at a CAGR of 57.2%. Driven by further development of the downstream industries, the shipment volume of dry process battery separators from China is expected to reach approximately 11.8 billion m^2 in 2029, at a CAGR of 14.1% from 2024. In 2024, EV battery was the largest downstream applications of China's dry process battery separator market, accounting for approximately market share of 60.0%, followed by energy storage battery (35.0%) and consumer electronics battery (4.5%).

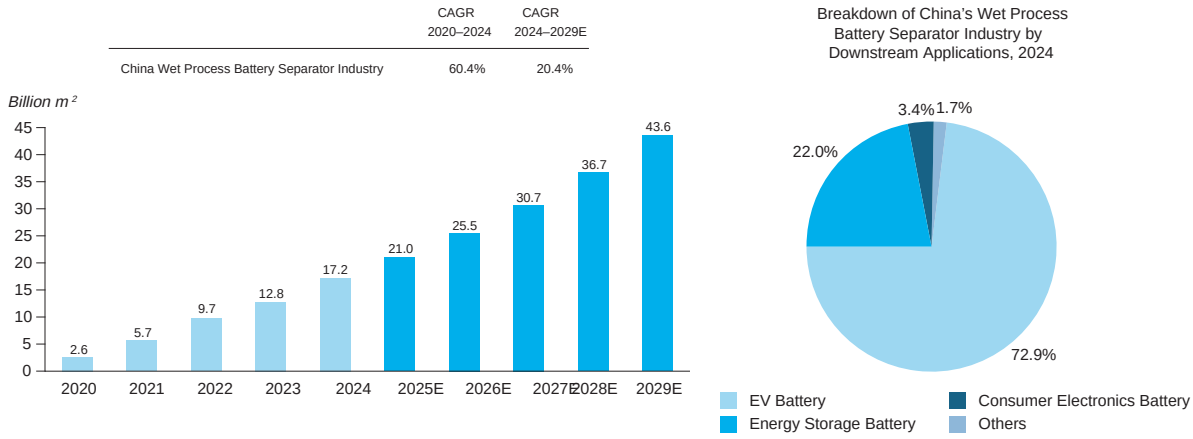
Dry Process Battery Separators from China by Shipment Volume, 2020–2029E



Source: Interviews with industry experts by Frost & Sullivan

The shipment volume of wet process battery separator from China has increased from 2.6 billion m^2 in 2020 to 17.2 billion m^2 in 2024, at a CAGR of 60.4%. Looking forward, shipment volume of wet process battery separator from China is expected to surge from 17.2 billion m^2 in 2024 to 43.6 billion m^2 in 2029, representing a CAGR of 20.4%. In 2024, EV batteries accounted for 72.9% of China's wet process battery separator market, followed by energy storage battery (22.0%) and consumer electronics battery (3.4%).

Wet Process Battery Separator from China by Shipment Volume, 2020–2029E



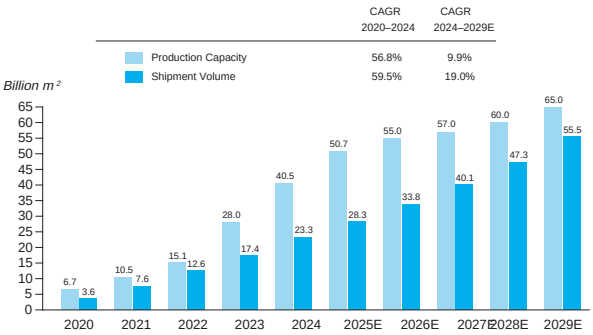
Source: Interviews with industry experts by Frost & Sullivan

In China, from 2022 to 2024, China's battery separator industry's production capacity expanded at a CAGR of 63.8%, surpassing the 35.8% increase in shipments, thereby driving price declines in domestic markets due to intensified competition and supply-demand imbalances. The battery separator prices in China fell from RMB2.07 per square metre in 2020 to RMB0.74 per square metre in 2024. As China accounted for over 80% of global shipment volume in 2024, its prices are highly aligned with global price trends. Looking toward 2029, capacity is projected to reach 65.0 billion m^2 and shipments 55.5 billion m^2, reflecting CAGRs of 9.9% and 19.0% from 2024. It is forecasted that the separator prices in China are expected to gradually stabilise after 2026 as the pace of new capacity slows, downstream demand accelerates, and inefficient or sub scale capacity is phased out. This growth supports domestic demand and strengthens Chinese enterprises' competitiveness through technological expertise and strategic partnerships with customers. Similar to the separator segment, China's downstream lithium-ion battery industry has also experienced periods of intensified competition and structural overcapacity in recent years due to the rapid commissioning of new production lines alongside slower growth in end-markets. It is expected that rising penetration of NEVs, accelerating deployment of energy storage systems, and expanding emerging applications such as robotics and low-altitude aviation will help absorb excess capacity over time and support a gradual recovery in supply–demand dynamics.

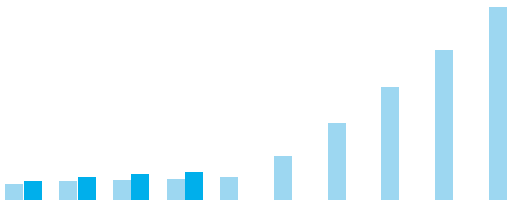
However, in regions outside China, the industry experienced strong shipment growth while relatively slower capacity expansion between 2020 and 2024, creating increasing opportunities to secure supply locally due to fast-growing demand from downstream battery manufacturers. Capacity increased from 2.3 billion m^2 to 3.3 billion m^2 with a CAGR of 9.4%, while shipments rose from 2.8 billion m^2 to 4.4 billion m^2 with a higher CAGR of 12.5%. To meet regional demand and enhance supply efficiency, China's leading separator enterprises have expanded overseas, establishing localised production that enables faster response, tailored services, and optimised cost structures within local value chains. By 2029, capacity is expected to reach 28.5 billion m^2 and shipments 28.6 billion m^2, reflecting CAGRs of 53.9% and 45.2% from 2024, addressing a more balanced regional supply and allowing Chinese manufacturers to strengthen pricing power and profitability through closer engagement with local manufacturers.

Thus, at the global level, separator capacity grew from 9.0 billion m^2 in 2020 to 43.8 billion m^2 in 2024, registering a CAGR of 48.5%, with shipments rising from 6.4 billion m^2 to 27.7 billion m^2 at a CAGR of 44.5%. By 2029, global capacity is projected to reach 93.5 billion m^2 and shipments 84.1 billion m^2, reflecting CAGRs of 16.4% and 24.8% from 2024, supporting a more balanced and resilient global supply network while responding to the rapidly growing demand across the battery value chain worldwide.

Battery Separator from China by Production Capacity and Shipment Volume, 2020–2029E



Battery Separator from Other Regions outside China by Production Capacity and Shipment Volume, 2020–2029E



and portable systems. Separator manufacturers are responding by developing customised, scenario-specific solutions, including functional coatings, optimised porosity, and enhanced thermal shutdown properties. Among these, energy storage industry in Europe and the U.S. especially for user-side grew significantly and their market size by added installed capacity is expected to exceed 140 GW in Europe and 200 GW in the U.S. by 2029, representing CAGRs of 39.4% and 40.0% from 2024 to 2029, respectively. This rapid growth is driving increased lithium-ion battery demand in Europe and the U.S., and in turn accelerating overseas separator capacity expansion to meet rising local demand. As global investments in renewable energy and grid stability increase, the energy storage battery industry is rising rapidly, creating a growing, sustainable demand base for separators in the energy storage sector.

Chinese separator manufacturers have rapidly caught up with, and in many cases surpassed, international competitors in terms of production scale, technology maturity, and cost efficiency. Through continued investment in research and development and production capacity, Chinese players are now leading global separator supply. Their competitive pricing and ability to deliver large volumes of high-quality wet and dry process separators have made them dominant exporters, especially to EV battery producers in Europe and SEA. This increasing competitiveness has reshaped the global market structure and consolidated leading position of Chinese suppliers.

Technological innovation continues to shape the battery separator sector, spanning material breakthroughs and process advancements such as high-speed wet production lines and low-temperature stretching in dry processes. Demand is rising for next-generation separators that are ultra-thin, heat-resistant, and capable of suppressing dendrite growth, driving a new wave of product development. Leading separator suppliers have integrated into these top-tier supply chains to participate in early-stage product definition and secure long-term value creation. At the same time, smart manufacturing, AI-powered quality control, and sustainability-driven research and development are transforming both cost structures and environmental footprints. On the product side, wet and dry processes are expected to coexist, with a clear trend toward thinner, more functional separators. Coated separator demand is rising, and differentiated coating formulas are becoming a key competitive edge favouring diversified players in technology routes. Looking ahead, industry concentration is likely to intensify, further benefiting leading enterprises with scale, innovation capacity and strong customer access.

Industry Barrier Analysis of Global and China Battery Separator Industry

The development and application of new technologies for the production of battery separators typically require lengthy period, which constitutes an entry barrier for new entrants to conduct independent research. Manufacturers in the battery separator industry must strive for competitive advantages through technological breakthroughs. Pioneering

separator manufacturers, through their rich industry experience, establish important expertise for the entire production process. The expertise includes the selection of raw materials and design and final production of battery separators. Pioneers in the battery separator industry have simultaneously mastered process and equipment technologies in dry and wet process separator production. To further extend their leading positions, separator manufacturers have collaborated with renowned universities and research institutions to develop cutting-edge technologies, which makes it challenging for new entrants to enter into the battery separator industry.

The high-calibre talents with extensive professional knowledge, deep industry understanding and rich experience play an important role in the success of battery separator manufacturers. Battery separator manufacturers with a proven track record in the industry normally have built-up high technical research teams. Besides, an experienced and

Excellent production capability is also one of the entry barriers for battery separator industry since it is an indication of operational efficiency, production flexibility, and long-term growth potential. Battery separator manufacturers with strong leadership positions in the industry are able to provide consistent, reliable and rapid production and product supply. These companies are able to layout their global markets with vision, flexibly arranging their local production facilities to implement production plans according to the actual orders from different markets. In addition, these companies could leverage their excellent technical capabilities and resources in designing their production facilities independently, thereby relieving their production activities from the pressure of insufficient equipment supply. However, new entrants may lack of production build-up capability to deliver products, thus forms production capability barrier.

Separator production equipment is highly customised to meet stringent technical requirements and involves long cycle times for installation, fine-tuning, and capacity ramp-up. Leading companies utilise single production lines with large capacity, featuring wide web widths and high line speeds, enabling efficient and high-volume base film manufacturing. Established players typically form strategic alliances with international equipment suppliers and leverage in-house research and development capabilities to co-develop and secure advanced equipment, particularly for high-end coated separators. These suppliers have limited production capacity, much of which is locked in through long-term agreements with leading manufacturers. For new entrants, challenges include not only the difficulty of acquiring high-performance equipment in a timely manner but also the steep learning curve in commissioning, process optimization, and quality control. Together, these factors lead to high upfront capital requirements, delayed time-to-market, and a significant competitive disadvantage, reinforcing the dominance of incumbent players.

The battery separator industry is protected by strong patent barriers, as key technologies are heavily patented across materials, structures, and manufacturing processes. Overseas market expansion, especially in developed regions requires a comprehensive patent strategy to ensure compliance and avoid infringement risks. Without sufficient intellectual property protection, companies may face restrictions in entering high-end markets, making patent layout a critical threshold for global competitiveness.

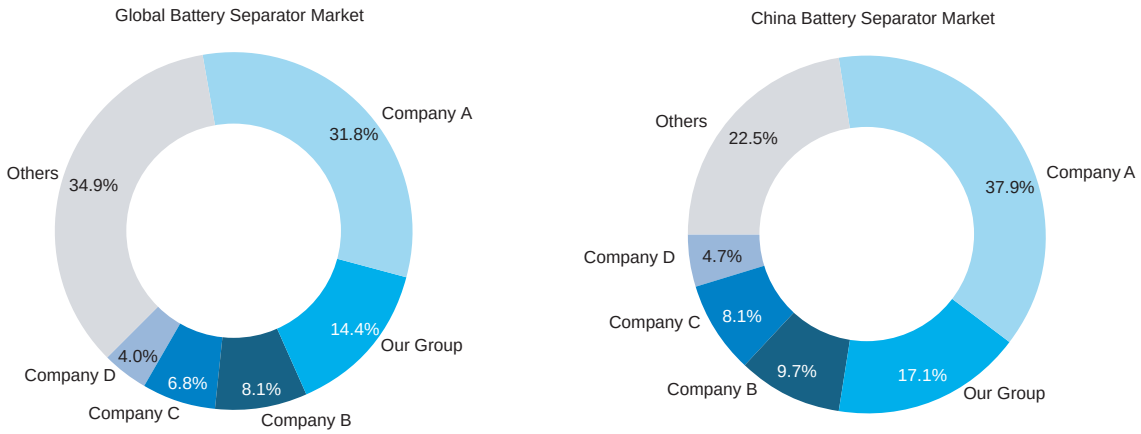
COMPETITIVE LANDSCAPE OF GLOBAL AND CHINA BATTERY SEPARATOR INDUSTRY

In 2024, the total shipment volume of global battery separator industry reached approximately 27.7 billion m^2. The top 5 companies accounted for approximately 65.1% of the total shipment volume of global battery separator market. In 2024, Our Group ranked second in the global battery separator market and accounted for 14.4% of the market share.

In China, the total shipment volume of battery separator reached approximately 23.3 billion m^2 in 2024. The top 5 companies accounted for approximately 77.5% of the total shipment volume of China battery separator market. In 2024, Our Group accounted for a market share of approximately 17.1%, and ranked second in the China battery separator market.

In order to further consolidate their competitive positions in both the global and Chinese markets, leading Chinese battery separator companies are actively establishing overseas production capacity.

Top Five Companies in Global and China Battery Separator Market by Shipment Volume, 2024

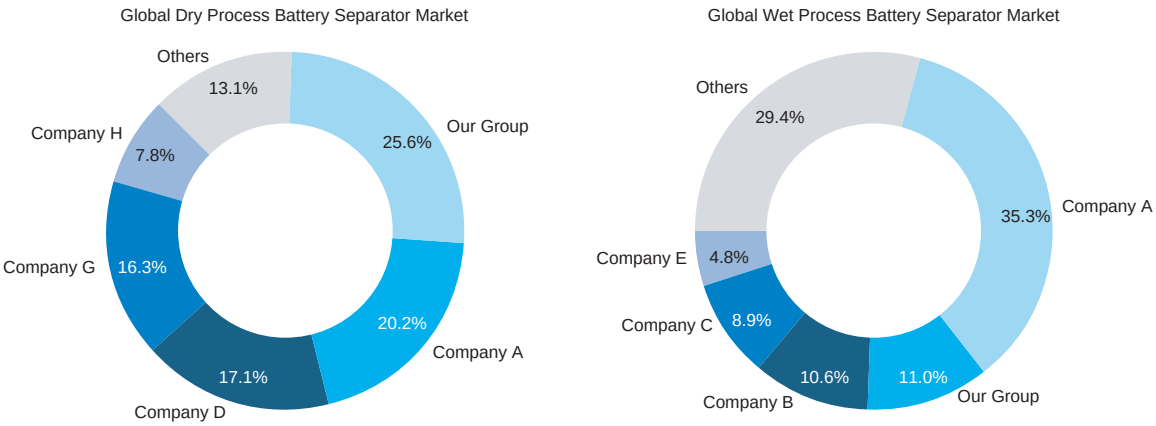


Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan

In 2024, the total shipment volume of global dry process battery separator reached approximately 6.4 billion m^2. The top 5 companies accounted for approximately 86.9% of the total shipment volume of global dry process battery separator. In 2024, Our Group accounted for a market share of approximately 25.6%, and ranked first in the global dry process battery separator market.

In 2024, the total shipment volume of global wet process battery separator reached approximately 21.3 billion m^2. The top 5 companies accounted for approximately 70.6% of the total shipment volume of global wet process battery separator. In 2024, Our Group accounted for a market share of approximately 11.0%, and ranked second in the global wet process battery separator market.

Top Five Companies in Global Dry Process and Wet Process Battery Separator Market by Shipment Volume, 2024

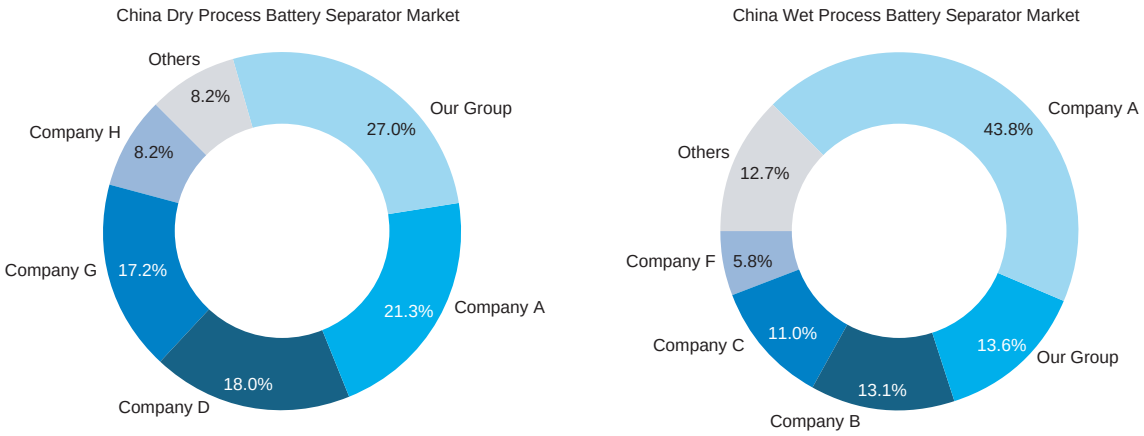


Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan

In 2024, the total shipment volume of China dry process battery separator reached approximately 6.1 billion m^2. The top 5 companies accounted for approximately 91.8% of the total shipment volume of China dry process battery separator. In 2024, Our Group accounted for a market share of approximately 27.0%, and ranked first in China's dry process battery separator market.

In 2024, the total shipment volume of China wet process battery separator reached approximately 17.2 billion m^2. The top 5 companies accounted for approximately 87.3% of the total shipment volume of China wet process battery separator. In 2024, Our Group accounted for a market share of approximately 13.6%, and ranked second in the China wet process battery separator market.

Top Five Companies in China Dry Process and Wet Process Battery Separator Market by Shipment Volume, 2024



Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan

Notes:

1. Established in 1996 and headquartered in Yunnan, China, Company A is a listed company which engaged in the production, processing and sales of new energy materials and development of new technologies and new products, including battery separator.

2. Established in 2010 and headquartered in Hebei, China, Company B is a private company which integrates research and development, production, sales and service of the wet process battery separator.

3. Established in 2001 and headquartered in Beijing, China, Company C is a listed company which integrates research and development, design, product manufacturing and sales, and technology and equipment in the field of special fibre composited and the battery separator in China.

4. Established in 2011 and headquartered in Henan, China, Company D is a private company which focuses on the research and development, development, production, and sales of the battery separator.

5. Established in 2007 and headquartered in Seoul, South Korea, Company E is a listed company which engaged in the production, processing and sales of the wet process battery separator.

6. Established in 2017 and headquartered in Jiangsu, China, Company F is a private company which focus on the research and development, production, sales and technical services of the battery separator and polymer special membrane materials.

7. Established in 2012 and headquartered in Shenzhen, China, Company G is a private company which focus on the research and development, production, sales and technical services of the wet process battery separator.

8. Established in 2015 and headquartered in Shenzhen, China, Company H is the subsidiary of a listed company which engaged in the production, processing and sales of the dry process battery separator.

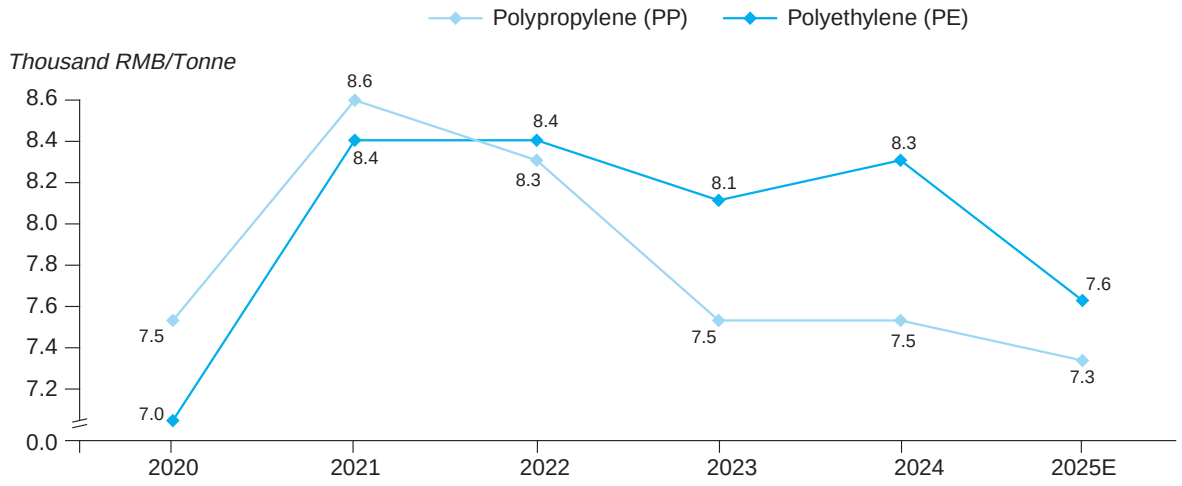
RAW MATERIAL PRICE ANALYSIS OF GLOBAL AND CHINA BATTERY SEPARATOR INDUSTRY

The cost of battery separators mainly consists of labour cost, raw material cost, depreciation, and energy cost. The raw materials of battery separator mainly comprise of polypropylene (PP) and polyethylene (PE), which accounted for a large portion of raw material cost.

After the pandemic which impacted the production and incoming projects of raw material manufacturers and the entire raw material supply chain, the prices of raw materials have gradually increased and remained relatively stable, fueled by the rapid development of battery and its related industry. In 2023, the price of PP declined due to rapid capacity expansion from large-scale plants, combined with moderate demand. In 2024, the price of PP and PE has reached RMB7.5 thousand and 8.3 thousand per tonne, respectively. In 2025, PE prices are expected to decrease as new capacity comes online according to earlier development plans. Historical fluctuations in PP and PE prices have had a direct and material impact on the Group's selling prices. Periods of cost decline, especially during times of industry-wide overcapacity, have enabled the Group to adjust product prices more flexibly, providing room to implement rational price reductions without compromising

profitability. This has strengthened the Group's ability to maintain competitiveness in a challenging market environment. At the same time, sustained volatility in raw material prices has led the Group to adopt a disciplined and forward-looking pricing strategy, balancing the need to preserve market share with the objective of supporting long-term strategic positioning. By aligning pricing with raw material cost trends and broader industry cycles, the Group has improved resilience and enhanced its capacity to pursue stable and sustainable growth.

Average Prices of Polypropylene (PP) and Polyethylene (PE) (China), 2020–2025E



Source: Wind, Interviews with industry experts by Frost & Sullivan

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets out a summary of relevant laws and regulations that may have material impact on our business activities.

In accordance with the Product Quality Law of the PRC (《中華人民共和國▫品質量法》) promulgated by the Standing Committee of the National People's Congress ("") on 22 February 1993, and most recently amended on 29 December 2018, the seller assumes responsibility for the repair, replacement, or return of the sold product under the following circumstances: (i) the product lacks the essential properties for its intended use without prior clear indication; (ii) the product does not meet the stated standards displayed on the product or its packaging; or (iii) the product does not match the quality as described in the product information or physical sample. In cases where a consumer incurs losses due to the purchased product, the seller is obligated to compensate for these losses. Under the Civil Code of the PRC (《中華人民共和國民法典》) (the "", promulgated by the National People's Congress of the PRC on 28 May 2020, and became effective on 1 January 2021, manufacturers and commercial sellers bear liability for physical injury or property loss resulting from product defects. The affected party has the right to seek compensation from either the manufacturer or the commercial seller.

The Notice of National Standard of the People's Republic of China (No.9, 2018) (《中華人民共和國國家▫準公告(2018年第9號)》) was jointly announced on 7 June 2018 by State Administration for Market Regulation and China National Standardisation Management Committee. It includes the National Standard for Polyolefin Diaphragm of Lithium-ion Batteries (Standard No.: GB/T36363-2018) (《 離子電池▫聚烯烴隔膜國家▫準(▫準號：GB/T36363-2018)》), which was established by relevant enterprises organised by the National Standardisation Technical Committee for Alkaline Batteries plus the China Chemical and Physical Power Industry Association, after which it was finally settled by the National Standardisation Technical Committee for Alkaline Batteries (SAC/TC77). The standard, which specifies terms and definitions of polyolefin separators for lithium-ion batteries, classification, requirements, test methods, inspection rules, packaging marks, transportation and storage, took effects on 1 January 2019.

According to the Production Safety Law of the PRC (《中華人民共和國安全▫▫法》) (the ""), which was last amended by SCNPC on 10 June 2021 and came into effect on 1 September 2021, entities engaged in production and business activities within the PRC shall comply with the Production Safety Law and other laws and regulations related to production safety, strengthen production safety management. Entities shall establish and improve a production safety responsibility system and production safety rules, improve production safety c8.63isp0ll46tionl46tissr1()-278.2ion733.1-1-72910T(ss)-n af33.1(E)-6

production safety, raise production safety levels, and ensure production safety. The person in charge of a production and operation entity shall be fully responsible for the production safety of the entity. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, depending on the circumstances of the violation, and criminal liability will be pursued if the violation constitutes a crime.

According to the Environmental Protection Law of the PRC (《中華人民共和國環□保護法》) (the "[illegible]"), which was last amended by the SCNPC on 24 April 2014 and came into effect on 1 January 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the law.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環□影□ □法》), which was amended by the SCNPC on 29 December 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設□目環□保護管理□例》), which was amended by the State Council on 16 July 2017 and came into effect on 1 October 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設□目□ 環□保護驗收暫□ 法》), which was promulgated by the former Ministry of Environmental Protection on 20 November 2017 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection competent administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance inspection on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance inspection shall not be put into production or use.

According to the Law of the PRC on Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國▫體廢▫　　環▫防　法》) (the "　　"), which was last amended on 29 April 2020 by the SCNPC and came into effect on 1 September 2020, any entity or individual that generates, collects, stores, transports, utilises or disposes of solid waste shall take measures to prevent or reduce the pollution of solid waste to the environment, and shall be responsible for the environmental pollution caused in accordance with the law. Where hazardous waste exists in solid waste, it shall be managed in accordance with hazardous waste management.

According to the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國　　防　法》), which was last amended on 27 June 2017 by the SCNPC and came into effective on 1 January 2018, the enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to water bodies, and the enterprises, institutions and other production and operation units required to obtain pollutant discharging permit before discharging waste water and sewage must obtain the pollutant discharging permit. Furthermore, environmental impact assessment must be carried out in accordance with the law for newly-formed projects and reconstruction, or extensions projects that directly or indirectly discharge pollutants to water bodies and other installations on water. Water pollution prevention and control facilities should be designed, constructed and put into use at the same time as the main construction of the projects.

According to the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大　　防　法》), which was last amended by the SCNPC on 26 October 2018 and took effect on the same day, enterprises, institutions and other production and operation units shall, in accordance with the rance wir-46.7(m3i9.6(C)-3it)-43473(t)-.62-3

fines, order to correct, restriction or suspension of production for rectification, and order to cease operation, etc., on individuals or enterprises that violate the Regulations on the Administration of Pollution Discharge Permits.

According to the Energy Conservation Law of the PRC (《中華人民共和國　約能源法》), which was last amended by the SCNPC on 26 October 2018 and came into effect on the same day, the State shall implement an energy conservation assessment and audit system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the developer shall not commence construction; where the construction is completed, the project shall not be put into production or use. For government investment projects which do not meet the compulsory energy conservation standards, the agency in charge of examination and approval pursuant to the law shall not grant approval for construction. Detailed measures shall be formulated by the department regulating energy conservation under the State Council jointly with other relevant State Council departments.

According to the Measures for the Energy Conservation Review of Fixed Asset Investment Projects (《▫定資▫投資▫目　能審　　法》) revised by the NDRC on 28 March 2023 and came into effect on 1 June 2023, the review opinions on energy conservation of a fixed asset investment project are an important basis for the commencement of construction, acceptance upon completion as well as operation and management of such project. For a government-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to submitting its feasibility study report for the project. For an enterprise-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project which has not undergone the energy conservation review or fails to pass the energy conservation review, the project owner shall not commence construction, or the project shall not be put into production or use if it is already completed.

According to the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was last amended by the SCNPC on 29 April 2021 and took effect on the same day, the emergency management department under the State Council and the emergency management department under the local people's governments at or above the county level shall supervise and manage fire protection work. Fire prevention design and construction must comply with national technical standards for fire protection in construction projects.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設　▫消防設　審　驗收管理暫▫▫定》) which was last amended by the Ministry of Housing and Urban-Rural Development of PRC on 21 August 2023 and officially came into effect on 30 October 2023, fire prevention

design review and acceptance should be carried out for special construction projects. With respect to the construction projects other than special construction projects, the fire protection acceptance of construction projects shall be filed with the competent authorities.

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) which was promulgated by the SCNPC on 12 May 1994 and implemented on 1 July 1994, and subsequently revised on 6 April 2004, 7 November 2016, and 30 December 2022, foreign traders engaging in import and export of goods or technology shall submit documents and material related to its foreign trade activities to the relevant departments in accordance with the provisions of the foreign trade department of the State Council or other relevant State Council departments in accordance with the law.

Pursuant to the Customs Law of the PRC (《中華人民共和國海　法》) promulgated by the SCNPC on 22 January 1987 and amended on 8 July 2000, 29 June 2013, 28 December 2013, 7 November 2016, 4 November 2017 and 29 April 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海　□　□位□□管理□定》) promulgated by the General Administration of Customs on 19 November 2021 and taking effect from 1 January 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws.

According to the Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor

formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院　於審理城　房屋租賃合同糾紛□件具體□□法律□干□□的□釋(2020修正)》), which took effect on 1 January 2021, if the ownership of the leased premises changes during lessee's possession in accordance with the terms of the lease contract, and the leasee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realisation of the mortgage right.

According to the Trademark Law of the PRC (《中華人民共和國□□法》) promulgated by SCNPC on 23 August 1982, most recently amended on 23 April 2019 and effective from 1 November 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國□□法實施□例》) promulgated by the State Council on 3 August 2002, later amended on 29 April 2014 and effective from 1 May 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark licence agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC, which was latest amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organisations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction,

distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labour Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers". Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labour Dispatch (《 務派遣暫 定》) promulgated by the Ministry of Human Resources and Social Security and came into effect on 1 March 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

The PRC Social Insurance Law (《中華人民共和國 會保險法》) (the "
") issued by the SCNPC in 2010 and latest amended on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《 會保險費徵 暫 例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

The Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labour Dispute Cases (最高人民法院 於審理 動 議 仲適 法律 的 釋 ( )) (the " "), promulgated by the Supreme People's Court of the PRC on July 31, 2025 and took effect on September 1, 2025, provides further clarification on the application of existing labour laws and regulations, particularly in relation to social insurance contributions. Specifically, the Interpretation clarifies the legal consequences of the following scenarios: (i) any undertakings or agreements by employees to waive social insurance contributions are invalid; (ii) if an employer fails to make social insurance contributions and the employee terminates the employment relationship on such basis, the employee is entitled to economic compensation pursuant to Article 38(3) of the Labour

Contract Law; and (iii) if an employer has made supplementary contributions for social insurance, it may request the return of any overpaid amounts, and the people's courts shall support such claims.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公□金管理□例》) promulgated by the State Council on 3 April 1999, and amended on 24 March 2002, and 24 March 2019, enterprises must register at the designated administrative centres and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management centre. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management centre shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企　所得□法》), which was promulgated by the SCNPC and was latest amended on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企　所得□法實施□例》), which was promulgated by the State Council and was latest amended in December 2024, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國□□□法》), which was promulgated by the SCNPC on December 25, 2024, and took effect on January 1, 2026, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國□□□暫□□例實施細　》), which was promulgated by the Ministry of Finance and was latest amended on 28 October 2011 and effective from 1 November 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《财政部、▫务▫局　於　整▫▫▫▫　的通　》) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《财政部、▫务▫局、海　▫署　於深化▫▫▫改▫有　政　的公告》) promulgated on 20 March 2019 and effective from 1 April 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the PRC Company Law, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Civil Procedure Law of the PRC (《中華人民共和國民　　法》) which was promulgated by the National People's Congress on 9 April 1991 and most recently amended on 1 September 2023 and became effective on 1 January 2024, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the SCNPC of the PRC (the " ") on 29 December 1993, last amended on 29 December 2023 and came into effect on 1 July 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign invested companies shall abide by the PRC Company Law.

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外▫投資法》), the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外▫投資法實施▫例》) and Measures on Reporting of Foreign Investment Information (《外▫投資信 ▫告 法》), which became effective on 1 January 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign-funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity; it is not allowed to require the submission again of any investment information that can be obtained by interdepartmental information sharing. For foreign investment enterprises investing in China and establishing an enterprise (including multi-level investment), upon completion of registration filing and submission of annual report information to the market regulatory authorities, the relevant information shall be forwarded by the market regulatory authorities to the commerce administrative authorities, and these enterprises are not required to submit separately.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 edition) (《鼓 外▫投資▫ 目 (2022年▫)》) (the " "), amended on 26 October 2022 and effective since 1 January 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外▫投資准入▫ 管理措施(負▫清▫)(2024年▫)》) (the " "),

amended on 6 September 2024 and effective since 1 November 2024, both of which issued by the National Development and Reform Commission (the " ") and the Ministry of Commerce of the PRC (the " "). According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments.

According to the Measures for the Security Review of Foreign Investment (《外 □ 投資安全審 法》) promulgated by the NDRC and the MOFCOM on 19 December 2020 and became effective on 18 January 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理 □ 例》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局 於改 □ 外 □ 投資企 外匯資本金結匯管理方式的通 》) (the " **1** ") on 30 March 2015, and it became effective on 1 June 2015, which was partially repealed on 30 December 2019, and latest amended on 23 March 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardising the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局 於改 □ 和 □ 資本 □ 目結匯管理政 的通 》) (the " **16**"), which was amended on 4 December 2023, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a

foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局　於進一步促進跨□貿易投資便　化的通　》), which was amended on 4 December 2023, or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局　於優化外匯管理支持涉外　務發展的通　》), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company　(《國家外匯管理局　於□內□人參□□外上市公司股權□　劃外匯管理有　□□的通　》) (the "　　7"), promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on 29 December 1998, and was latest amended on 28 December 2019 and took effect on 1 March 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or [REDACTED] their securities overseas shall comply with the relevant provisions of the State Council and for [REDACTED] and [REDACTED] of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the [REDACTED] and [REDACTED] of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

On 17 February 2023, the CSRC released several regulations regarding the management of filings for overseas [REDACTED] and [REDACTED] by domestic companies, including the Overseas Listing Trial Measures together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "[illegible]"). Under Overseas Listing Regulations, PRC domestic companies that seek to [REDACTED] and [REDACTED] securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas [REDACTED] is submitted.

The Overseas Listing Regulations provides that no overseas [REDACTED] and [REDACTED] shall be made under any of the following circumstances: (i) such securities [REDACTED] and [REDACTED] is explicitly prohibited by provisions in laws,

[REDACTED] and [REDACTED] securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of [REDACTED] status or transfers of [REDACTED] segment, and (iv) a voluntary or mandatory delisting. Overseas [REDACTED] and [REDACTED] by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfil their obligations to protect national security.

On 24 February 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《 於加强 內企 外發 證券和上市相 保密和 管理 作的 定》) (the " "). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas [REDACTED] and [REDACTED] of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Leveraging with his educational background in power engineering, our Company, then

2013	● We expanded our business of lithium-ion battery separator into South Korea, the first of our overseas markets.
2015	● The third generation of dry process separator production line commenced operation with improved performance stability.
2016	● We were listed on ChiNext of Shenzhen Stock Exchange under the stock code 300568.
	● Our production line for nanocomposite separators was established and commenced operation in Shenzhen, China.
	● We established Hefei Senior.
2017	● We established Changzhou Senior.
2018	● We established Jiangsu Senior.
2021	● We expanded our business of lithium-ion battery separator into Europe and established Europe Senior.
	● We established Nantong Senior.
2023	● We established Foshan Senior.
	● We were listed on the SIX Swiss Exchange under the stock symbol SENIOR.
2024	● We started the construction of our US manufacturing base in the U.S. and Malaysia manufacturing base in North Carolina, the U.S. and Penang, Malaysia, respectively.

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As at the Latest Practicable Date, we had seven principal subsidiaries, being our subsidiaries which were (i) material to our performance during the Track Record Period; and/or (ii) important for our future development and business operations (the "**p l** "). Set forth below is a table summarising the key information of our Principal Subsidiaries during the Track Record Period and as at the Latest Practicable Date.

	p l	**l p**	**l p / p / l**		**p l**
Hefei Senior[1]	RMB650,000,000	41.54%	China	5 January 2016	Manufacturing
Changzhou Senior	RMB300,000,000	100%	China	5 April 2017	Manufacturing
Jiangsu Senior	RMB300,000,000	100%	China	12 March 2018	Manufacturing
Nantong Senior	RMB1,000,000,000	100%	China	18 June 2021	Manufacturing
Europe Senior	SEK25,000	100%	Sweden	21 December 2021	Investment holding
Singapore Senior	SGD2,500,000	100%	Singapore	2 June 2022	Raw material procurement and sales
Foshan Senior	RMB1,000,000,000	60%	China	15 February 2023	Manufacturing
Innovay New Material Technology (Malaysia) Co., Ltd	RM1,422,327,491	100%	Malaysia	18 August 2024	Manufacturing and sales
Green New Energy Materials, Inc.	USD10,000	100%	US	27 November 2023	Manufacturing

Note:

(1) The other shareholders of Hefei Senior are Hefei Urban Construction Investment and Holding Co., Ltd. (合肥城建投資控股有限公司) ("") and Hefei Guoxuan High-tech Power Energy Co., Ltd. (合肥國軒高科動力能源有限公司) (""), holding, respectively, approximately 30.77% and 27.69% of the share capital of Hefei Senior. Based on the articles of association and the shareholders agreement of Hefei Senior, its board of directors shall consist of five members, among which our Company shall have the right to appoint three; further, Hefei Construction shall be entitled to an annual return of 1.29% of its investment in Hefei Senior, and any remaining distributable profits of Hefei Senior shall be allocated to our Company as to 60% and Hefei Guoxuan as to 40%, respectively.

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In December 2016, our Company was listed on ChiNext of the Shenzhen Stock Exchange under the stock code 300568. In connection with the listing, we completed an initial public offering of our A Shares (the "**A** "), pursuant to which our total share capital increased from RMB90,000,000 to RMB120,000,000. The shareholding structure of our Company immediately after A Share Offering was as follows:

l	A	l	l
Prof. Chen		31,442,825	26.20%
Shenzhen Oriental Fortune Venture Capital (Limited Partnership) (深圳市 方富海創 投資企 (有限合夥))		6,796,850	5.66%
Chen Liang (陳 ▫)		6,288,525	5.24%
Lhasa Changyuan Yingjia Investment Co., Ltd. (薩市 園盈佳投資有限公司)		5,685,725	4.74%
Shenzhen Xiaoyang Science & Technology Investment Co., Ltd. (深圳市曉揚科技投資有限公司)		4,854,925	4.05%
Shenzhen Chuangdongfang Growth Investment Enterprise (Limited Partnership) (深圳市創 方 投資企 (有限合夥))		3,883,925	3.24%
Sichuan Zhongcheng Management Consulting Co., Ltd. (川中 管理 有限公司)		3,857,175	3.21%
Shenzhen Suyuan Investment Enterprise (Limited Partnership) (深圳市速源投資企 (有限合夥))		3,634,650	3.03%
Shenzhen Suyuan Holdings Group Co., Ltd (深圳市速源控股集團有限公司)		3,500,000	2.92%
Shenzhen Huashang Dingsheng Equity Investment Partnership (Limited Partnership) (深圳市華 ▫ 鼎盛股權投資合夥企 (有限合夥))		2,500,000	2.08%
Other A Shareholders(1)		47,555,400	39.63%
l		**120,000,000**	**100%**

Note:

(1) Each of other A Shareholders held no-1.2722191.91Tf1.91Tf1.91Tf1.91Tf1.9o(7433ore()]TJ/Fth-4.5(e1Tf2%()]TJ50

In December 2023, our Company was listed on SIX Swiss Exchange under the stock symbol SENIOR. In connection with the listing, we completed a public offering of 12,684,800 GDRs, representing interests in a total of 63,424,000 A Shares (the “ ”). Upon the completion of the GDR Offering, our total share capital increased from RMB1,281,682,969 to RMB1,345,106,969.

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Between 9 November 2023 and 21 May 2025, the Board and the Shareholders (as the case may be) approved the cancellation of 3,271,967 Restricted Shares that had been granted under the 2022 Share Incentive Plan but had not yet been vested. After the completion of the share cancellations and a series of capital changes from 2024 up to the Latest Practicable Date, our Company had a total share capital of RMB1,345,710,639 divided into 1,345,710,639 A Shares.

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During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us and would require disclosure under Rule 4.05A of the Listing Rules.

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Our Company has been listed on ChiNext of the Shenzhen Stock Exchange and the SIX Swiss Exchange since 2016 and 2023, respectively. We seek to be [REDACTED] on the Hong Kong Stock Exchange in order to further advance our global strategic layout, establish an international capital operation platform, and enhance our comprehensive competitiveness. please see “Business — Our Growth Strategies” and “Future Plans and Use of [REDACTED]” for more details.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we had complied with the rules of the Shenzhen Stock Exchange and SIX Swiss Exchange and other applicable securities laws and regulations of the PRC and Switzerland in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shenzhen Stock Exchange and SIX Swiss Exchange. Based on the indepePrhocticao2.3641sor,nv2.3641o nteRc(Swis)-mher

confirmation from the SIX Swiss Exchange, since its listing on the SIX Swiss Exchange and up to the Latest Practicable Date, the Company has not been subject to any sanctions by SIX Exchange Regulation AG for violations of Swiss stock exchange regulations.

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Rule 19A.13A of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the [REDACTED] represents [REDACTED]% of the total issued share capital of our Company (assuming that the [REDACTED] are not exercised), which satisfy the requirements under Rule 19A.13A(2)(a) of the Listing Rules.

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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.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the total market value of H Shares required to be held in public hands and not subject to any disposal restrictions is expected to be no less than HK$[REDACTED], calculated based on an [REDACTED] of HK$[REDACTED] per H Share, being the low-end of the indicative [REDACTED], which is higher than the prescribed expected market value of H Shares required to be held in public hands of not less than HK$600,000,000. Therefore, the Company is expected to satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

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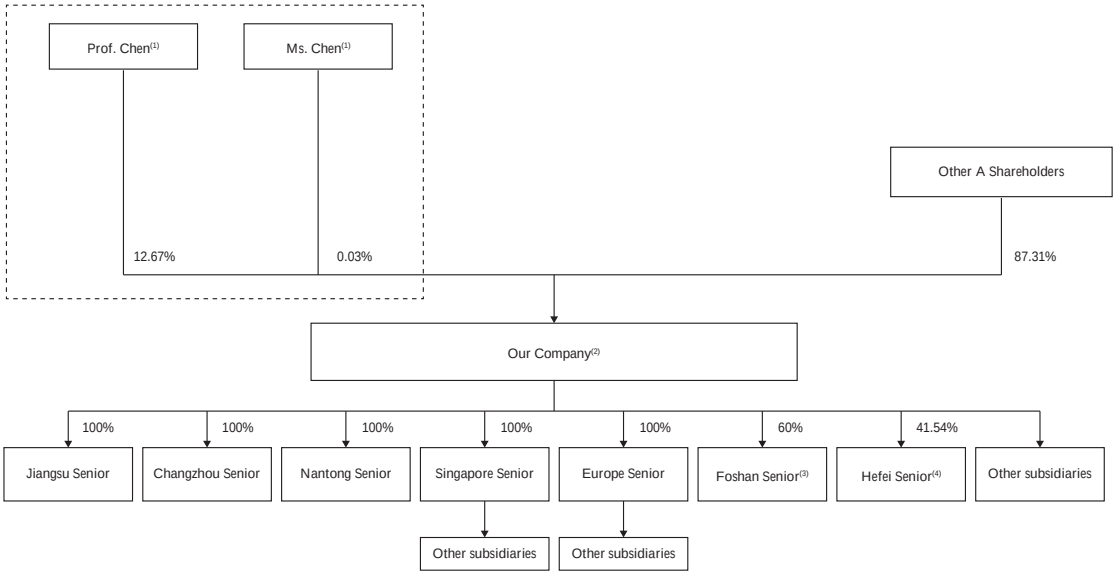
The following simplified diagram illustrates the corporate and shareholding structure of our Group, immediately prior to the completion of the [REDACTED].



Notes:

(1) Prof. Chen and Ms. Chen form the Single Largest Shareholders of our Company. Please see "Relationship with Our Single Largest Shareholders" for details.

(2) As at the Latest Practicable Date, we had 22 subsidiaries, including our Principal Subsidiaries and other subsidiaries incorporated in various jurisdictions.

(3) As at the Latest Practicable Date, the remaining 40% interests in Foshan Senior were held by Foshan Lanhai Huizhi Investment Management Co., Ltd. (佛山市瀾海匯智投資管理有限公司), which is in turn held by Foshan Nanhai Industrial Development Investment Management Co., Ltd. (佛山市南海 發展投資管理有限公司), a state-owned enterprise and an independent third party of the Company, as to 80%.

(4) As at the Latest Practicable Date, the remaining interests in Hefei Senior were held by Hefei Construction, a state-owned enterprise, and Hefei Guoxuan as to 30.77% and 27.69%, respectively. Based on the articles of association and the shareholders agreement of Hefei Senior, its board of directors shall consist of five members, among which our Company shall have the right to appoint three; further, Hefei Construction shall be entitled to an annual return of 1.29% of its investment in Hefei Senior, and any remaining distributable profits of Hefei Senior shall be allocated to our Company as to 60% and Hefei Guoxuan as to 40%, respectively. Hefei Guoxuan is a wholly owned subsidiary of Gotion High-tech.

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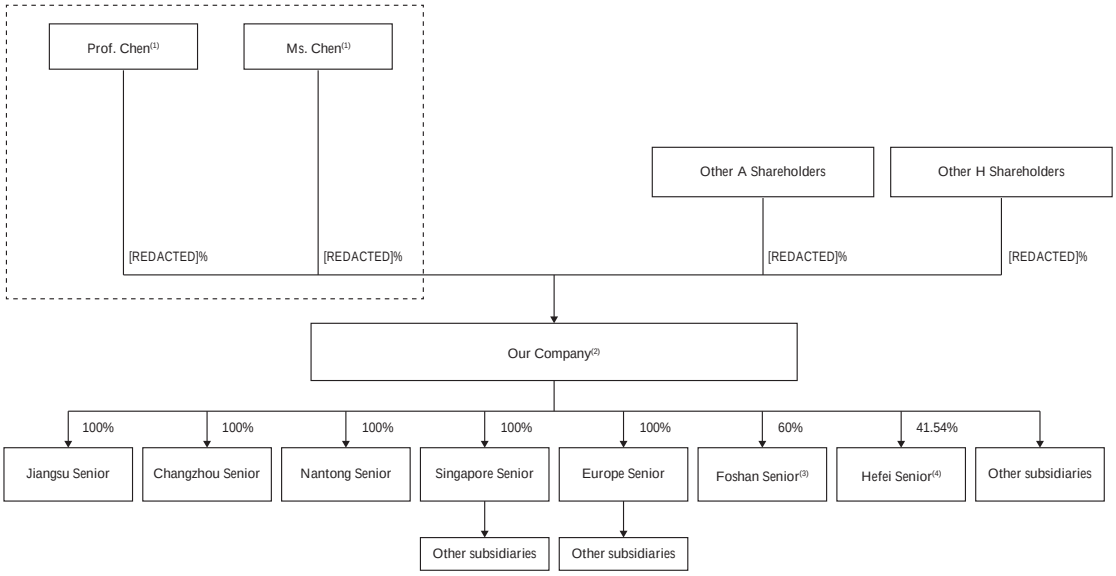
The following simplified diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the [REDACTED], assuming that the [REDACTED] is not exercised.



Notes:

(1)–(4): Please see the respective notes under "— Corporate Structure — Corporate structure immediately before the [REDACTED]" of this section.

OVERVIEW

We are a competitive lithium-ion battery separator manufacturer that endeavours to offer high-quality products to customers. We were founded in 2003 and accumulated more than 20 years of industry experience in research and development, production and sales of lithium-ion battery separators. According to Frost & Sullivan, we are the first Chinese company to master the dry process uniaxial stretching technology for lithium-ion battery separators, ranking first globally in terms of market share in dry process separators market by shipment volume in 2024. We are also the first lithium-ion battery separator manufacturer to achieve mass export, which refers to the continuous and stable supply of substantial volumes of lithium-ion battery separator products that consistently meet the production requirements of major overseas customers. of lithium-ion battery separators, as well as the first and one of the few enterprises in China with capabilities in all three types of lithium-ion battery separator production technologies, namely dry process, wet process and coated process separators.

As an early entrant in the lithium-ion battery sector, we have established ourselves as a established supplier within the global lithium-ion battery separator market. Our unique position as one of the few companies with independent equipment research and design capabilities, together with our proprietary microporosity forming technology, has enabled us to build competitive battery separator production lines. We excel in many key performance indicators for battery separators, including thickness, porosity, thermal shrinkage, breathability and puncture strength. Utilising our technological expertise and commitment to quality, we serve world-leading lithium-ion battery manufacturers such as LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda. According to Frost & Sullivan, our lithium-ion battery separator shipment volume ranked second globally for the last five years consecutively, with our global market share increasing from 11.0% in 2020 to 14.4% in 2024.

We have developed a clear plan for a comprehensive network encompassing production, R&D and customer engagement. Currently, we have established six manufacturing bases within the PRC. Our overseas manufacturing bases in Europe, Southeast Asia and the United States are under construction, demonstrating our commitment to a global footprint. In terms of innovation, we have established R&D centres in the PRC, Japan and Sweden, and plan to establish additional centres in Southeast Asia and the United States. Our expanding network supports a broad customer base, including more than 100 leading lithium-ion battery manufacturers worldwide. We have established stable relationships with all the world's top ten lithium-ion battery manufacturers in 2024 and are one of the few battery separator companies that supply to all of the world's top ten lithium-ion battery manufacturers according to Frost & Sullivan.

We are committed to advancing industrial upgrades through the application of cutting-edge technologies, not only in the lithium-ion battery separator industry but also membranes in other fields. Building on our extensive expertise in lithium-ion battery separators and guided by our core strategy of "in-depth technology + diverse applications," we have developed a portfolio of solid-state electrolyte membranes and

other functional membranes that spans various scenarios. Through our advanced technologies in functional membranes, we aim to provide reliable material solutions for relevant high-value industries, including green energy and semiconductors.

Leveraging our technological advantages, diverse portfolio of leading products, high-quality and efficient production capacity, forward-looking global strategic planning and distinguished global customer network, we have secured a leading position in the global lithium-ion battery separator industry. Below is an overview of our achievements.

low-altitude economy, aerospace and smart wearables have presented increasingly sophisticated and specialised demands, driving further innovation in lithium-ion battery technology and its critical components, such as separators. As a result, the market for lithium-ion battery separators, essential materials within these batteries, is closely tied to advances in new energy applications. According to Frost & Sullivan, the global lithium-ion battery market is projected to reach a shipment volume of 4,680.4 GWh by 2029. Demand for batteries in the EV sector is expected to rise from 1,037.8 GWh in 2024 to 3,369.9 GWh in 2029; in energy storage, from 355.2 GWh in 2024 to 1,123.3 GWh in 2029; and in consumer electronics, from 91.4 GWh in 2024 to 128.0 GWh in 2029. Correspondingly, the global lithium-ion battery separator market, measured by shipment volume, will expand from 27.7 billion square metres in 2024 to 84.1 billion square metres in 2029, reflecting both sustained demand growth and accelerating innovation across traditional and emerging sectors.

According to Frost and Sullivan, there exists a demand-supply gap in overseas markets due to limited local production capacity for separators. As global adoption of electric vehicles (EVs) accelerates, we believe this supply shortfall continues to drive strong international demand. In 2024, Chinese companies supplied over 80% of the global separator market, according to Frost & Sullivan. However, as geopolitical risks and the threat of supply chain disruptions increase, overseas customers have actively sought support from local separator suppliers. We believe our strategic global presence and significant overseas production capacity position us well to serve the overseas markets. By drawing on our extensive experience with leading international customers, we are able to bridge the demand-supply gap, secure long-term relationships with key customers and further strengthen our role in the global value chain, thereby enhancing our global competitiveness.

According to Frost and Sullivan, suppliers of lithium-ion battery separators currently face a range of complex challenges. The industry is experiencing increasingly stringent performance requirements, driven by evolving end-user demands, rapid technological advances, tougher government regulations and a heightened focus on battery safety, durability and lifespan. To meet these demands, companies must closely monitor developments downstream and invest in strengthening independent research and development (R&D) capabilities. For example, the forthcoming Safety Requirements and Test Methods for Power Batteries for Electric Vehicles ( ), a mandatory national standard issued by the MIIT that will come into effect on 1 July 2026, will further raise the bar for thermal diffusion safety requirements for EV batteries. On the other hand, technological advancements such as the development of sodium-ion and solid-state batteries present future opportunities and challenges alike, highlighting the critical need for forward-looking R&D strategies within the separator industry.

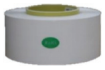
According to Frost and Sullivan, ongoing technological progress, increased capital investment and rapid capacity expansion have reduced costs but heightened price competition for standard products. To ensure competitiveness and profitability, separator manufacturers must focus on developing mid- to high-end products that deliver greater performance and better value, including ultra-thin functional coatings and innovative

membrane technologies. Building these capabilities is essential not only for attracting and retaining high-end customers, but also for improving margins and developing technological expertise.

We are proactively tackling these industry challenges and capitalising on new opportunities. Leveraging our leading core technologies, global reach and long-standing relationship with major customers, we have developed a forward-looking R&D approach that positions us to drive progress within the industry. We are confident that these strengths will enable us to sustain our industry leadership over the medium to long term.

Our Product Portfolio

Our main products are lithium-ion battery separators, including dry process separators, wet process separators and coated separators. These products serve major sectors such as transportation vehicles, industrial machinery, energy storage facilities and consumer electronics, with a wide range of application scenarios. Additionally, through independent R&D, we have proactively established a presence in emerging sectors such as solid-state battery materials and other functional membrane materials. Our current product portfolio is as follows.

Products Series	Main Specifications	Applications	Advantages
Core product: lithium-ion battery separator			
Dry Process Separator 	Thickness: 3–40 m	Batteries for EVs, electric bicycles, power tools, consumer electronics and energy storage	High melting point temperature and consistent quality
Wet Process Separator	Thickness: 3–25 m	Batteries for EVs, power tools and high-end consumer electronics	High strength, high porosity and adjustable pore size
Coated Separator	Thickness: 5–25 m	Batteries for EVs, consumer electronics and energy storage batteries with higher safety requirements	High safety, high wettability and adjustable coating thickness

Products Series	Main Specifications	Applications	Advantages
Forward-looking layout			
Semi-solid-state electrolyte separator	3–20 m	High-performance EVs, drones and humanoid robots	Low-temperature operation, high safety and low interface resistance
Solid-state electrolyte membrane	7–30 m	High-end consumer electronics and EVs	High safety and high strength

In addition to our semi-solid-state electrolyte separators and solid-state electrolyte membranes, we also aim to provide our customers with other functional membranes, including heat exchange membranes, waterproof and breathable membranes and water treatment membranes. Please refer to "— Our Core Technologies" for details of each product.

Our Customers and Global Presence

With industry-leading technologies, a diverse product portfolio and a comprehensive sales and production network, we have established a global presence among leading lithium-ion battery enterprises, with major customers including LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda.

We have entered into long-term strategic partnerships with our prominent customers. During the Track Record Period, we entered into a Global Strategic Cooperation Memorandum with LG Energy Solution, a Strategic Memorandum with Samsung SDI and a Global Strategic Cooperation Framework Agreement with EVE Energy. See "— Research and Development — Our R&D Platform — Industry-Academic-Research Platforms" for details. Through close collaboration with these prominent industry leaders, we have secured stable order flows and strengthened our market position. Additionally, by leveraging their industry influence and technical expertise, we have been able to enhance our own technological standards and overall competitiveness in the market.

To enhance our overseas business capabilities, we have set up manufacturing bases in Europe, the SEA and the United States. These facilities support the international expansion of domestic lithium-ion battery manufacturers and meet the production requirements of foreign battery manufacturers aiming to increase their capacity. By operating locally in key strategic markets, we are able to provide timely support to our customers worldwide. While tariff and trade tensions pose ongoing challenges, we believe that our strong relationships with leading international customers, combined with our efficient, high-quality global production network, position us well for sustainable long-term growth. We also believe that diversification of our customer base in the global markets help mitigate the impact of overcapacity and intense market competition.

Our Innovation System

To drive ongoing innovation and development, we have created a robust three-pronged innovation ecosystem. This ecosystem consists of a strong internal research and development mechanism, a team of highly experienced technical specialists with cross-disciplinary expertise and a strategic platform that fosters collaboration between industry, academia and research institutions. Together, these elements enable us to effectively mitigate the impact of overcapacity and intense market competition, achieve breakthroughs in key performance indicators for lithium-ion battery separators, continuously upgrade and refine our proprietary production equipment, and conduct forward-looking research and development on new functional membranes.

- Strong internal R&D mechanism. Our in-house research and development platform for battery separators has enabled us to build strong capabilities in raw material formulation, rapid formula adjustment and microporosity formation technology. By implementing equity incentive programmes and establishing a comprehensive engineering technology development framework, we have built strong expertise in both process and equipment technologies for separator manufacturing. This solid foundation has enabled us to advance the development of next-generation battery separators and new functional membranes.

- Industry-leading R&D team consisting of cross-disciplinary technical talents. As at 30 September 2025, we have established a multidisciplinary R&D team of 738 members specialised in fields of material science, polymer chemistry, mechanical automation and electrochemistry. Our R&D personnel make up over 14.9% of our workforce. Moreover, we have set up R&D centres in Southern China (Shenzhen), Eastern China (Nantong), Japan (Osaka) and Europe (Sweden), integrating global R&D talent by combining regional industry and academic strengths.

- Strategic industry-academic-research collaboration platform. We collaborate with various academic institutions, including Tsinghua University, Peking University and Sichuan University on the development of production equipment, processes and technologies for lithium-ion battery separators and a variety of functional membranes, as well as talent cultivation.

Our ongoing commitment to innovation and technological progress is demonstrated by the numerous high-quality achievements and honours we have earned over the years. By consistently advancing the frontiers of research and development, we have positioned ourselves as a leader in the lithium-ion battery separator industry. This dedication has been recognised through a range of prestigious awards and acknowledgments, highlighting our leadership and excellence in the field:

- In June 2024, our "preparation of high-performance lithium-ion battery separator based on polyolefin condensed matter structure control" (jointly developed with Sichuan University) won the First Prize of State Science and Technology Progress Award ( ) for 2023 and we were the only enterprise in the lithium-ion battery industry honoured with the award.

- Many of our separator research projects have been recognised by prestigious national programmes and have received numerous awards for innovation and quality, such as the "PRC Torch Programme" and "863 Plan". These accolades highlight our leadership in the industry and our commitment to excellence.

- We are the leading organisation and deputy leader of the editorial committee for drafting national standards related to lithium-ion battery separators. We have led or served as the main drafter of two national standards and 21 industry standards in the lithium-ion battery separator sector.

- As at 30 September 2025, we applied for a total of 985 patents, including 287 overseas patents; we obtained 478 valid patents, including 201 authorised invention patents (of which 90 are overseas invention patents) and 277 authorised utility model patents.

Our Sustainability Initiatives

We have established an efficient ESG system that integrates sustainable development into our corporate strategy and operations. Our environmental initiatives include implementing a low-carbon development strategy, launching clean energy projects and achieving significant carbon reductions. Socially, we prioritise occupational health and safety, building a safe working environment with strict quality control. Our efforts have led to the creation of the first net-zero industrial hub in the separator industry and significant use of renewable energy, contributing to our goal of carbon neutrality and net-zero emissions.

OUR COMPETITIVE STRENGTHS

We are a competitive lithium-ion battery separator provider, with a leading position in the industry

Founded in 2003, we are a domestic pioneer in the R&D and manufacturing of lithium-ion battery separators, according to Frost & Sullivan. As the first Chinese company to master the dry process uniaxial stretching technology for lithium-ion battery separators, we successfully broke the monopoly of foreign countries in the field of battery separator production. Our technological breakthroughs have been recognised through prestigious awards such as the First Prize of State Science and Technology Progress Award.

We are the first and one of the few enterprises in the PRC with capabilities in all three types of lithium-ion battery separator production technologies, namely the dry process, wet process and coated process separators, according to Frost & Sullivan. With over 20 years of experience in R&D and manufacturing of battery separator materials, we have become a leading supplier and technology innovator in the global lithium-ion battery separator industry. According to Frost & Sullivan, our lithium-ion battery separator shipment volume ranked second globally for the last five years consecutively and our market share increased from 11.0% in 2020 to 14.4% in 2024.

We are the first lithium-ion battery separator manufacturer to achieve mass export of lithium-ion battery separators, according to Frost & Sullivan, which is defined as the first manufacturer in industry to have the continuous and stable supply of substantial volumes of lithium-ion battery separator products that consistently meet the production requirements of major overseas customers. With a steady growth in our international customer base, we keep expanding our overseas production capacities through construction of manufacturing bases in Sweden, Malaysia and the United States. As a result, our overseas production capacity ranked first in terms of planned annual production compacity in 2024, according to Frost and Sullivan. Leveraging our first-mover advantage in the overseas market, we have established an international sales network and continue to improve our service capabilities for overseas customers. Our sales and service network covers over 100 customers across the PRC, Japan, South Korea, Europe, the SEA and other regions. We are committed to providing comprehensive sales and customer support services from pre-sales communication, product customisation to post-delivery assistance in a professional and timely manner.

The lithium-ion battery industry is currently transitioning to next-generation products that feature high safety, high energy density, fast charging and other advanced characteristics. This transition raises the performance requirements for lithium-ion battery separators and presents new opportunities for technological innovations and product upgrades. Leveraging our strong R&D capabilities and extensive technological expertise, we have made significant progress in developing next-generation lithium-ion battery separator products. We have successfully created a series of high-performance separators with high safety and high energy density. For instance, our latest coated separator products offer high temperature resistance, high strength and fast wettability, effectively slowing heat transfer and providing essential support for battery safety. These new products enhance the overall performance and lifespan of lithium-ion batteries by improving safety, energy density and charging speed.

We have a comprehensive and optimised product portfolio that covers comprehensive demand of downstream lithium-ion battery customers in various scenarios

We are a R&D-driven advanced materials enterprise, dedicated to the continual technological innovation and enhancement of separator products for the evolving lithium-ion battery market. Our comprehensive product portfolio excels in key performance metrics such as thickness, porosity, thermal shrinkage, breathability and puncture strength, consistently meeting high international standards. Our offerings span a wide range of battery separator products, in

- **Wet process separator.** We have focused on advancing wet process separator technologies, achieving significant breakthroughs in the production of ultra-thin and wide-format battery separators as well as scenario-based customisation, which enhance battery energy density without compromising safety. Our innovative wide-format production line design has significantly increased production efficiency and delivered greater economies of scale.

- **Coated separator.** We are one of the earliest lithium-ion battery separator manufacturers in China to adopt coating film manufacturing processes, according to Frost and Sullivan. By utilising diverse material systems and composite functional coating designs, we have achieved synergistic improvements in thermal stability, wettability and mechanical strength of lithium-ion battery separators. We have mass-produced several high-performance coated separator products, meeting the performance requirements of next-generation lithium-ion products for high safety, high energy density and fast charging.

Building on our extensive expertise in lithium-ion battery separator technology, we have adopted a portfolio of solid-state electrolyte membranes and other functional membranes that spans various scenarios. Our goal is to provide advanced material solutions that support the development of key industries, including green energy and semiconductors.

- **Solid-state battery.** Our LATP-coated separators, PEO-coated separators and gel electrolyte composite separators currently under development are suitable for use in semi-solid-state batteries and are already capable of large-scale production. In developing solid-state electrolyte membranes, we employ integrated moulding technology that combines a fibre framework with solid electrolytes. This approach delivers membranes with high mechanical strength, excellent lithium-ion conductivity and low interfacial impedance.

- **Other functional membrane.** We utilise our technology advantages and accumulated know-hows to actively explore other functional membranes, such as heat exchange membranes, waterproof and breathable membranes and water treatment membranes. We believe that our future sales of functional membranes will facilitate the diversification of our product portfolio.

We have established a three-pronged innovation ecosystem, enabling us to maintain leading R&D capabilities, generate numerous high-quality research outcomes and build extensive technological reserves

To drive ongoing innovation and development, we have created a robust three-pronged innovation ecosystem. This ecosystem consists of a strong internal research and development mechanism, a team of industry-leading cross-disciplinary technical experts and a strategic platform that fosters collaboration between industry, academia and research institutions. We have cultivated core strengths in raw material formulation, rapid formula adjustment and advanced microporosity forming technology. In addition, we have developed a comprehensive engineering technology development pipeline, mastering both

key manufacturing processes and production equipment for separator production. This approach has laid a solid technological foundation for the research and development of next-generation battery separators and new functional membranes.

Building on our independent research and development, we have established an industry-leading platform and multi-dimensional system for separator innovation, fully leveraging resources from various partners to continuously improve our technological capabilities. We have founded several in-house R&D platforms, such as the National-Local Joint Engineering Research Centre for High-End Lithium-ion Battery Separator Preparation and Testing Technology, with a focus on separator materials, process technology, production equipment and end-use applications.

As at 30 September 2025, we have established a multidisciplinary R&D team of 738 members specialised in fields of materials science, polymer chemistry, mechanical automation and electrochemistry. Our R&D personnel make up over 14.9% of our total employees. Furthermore, we have set up R&D centres in Southern China (Shenzhen), Eastern China (Nantong), Japan (Osaka) and Europe (Sweden), integrating global R&D talent by combining regional industry and academic strengths. This R&D network integrates global R&D resources such as material innovation in Japan, equipment design in Europe and industrialization efficiency in China, enabling us to efficiently respond to differentiated market demands.

We carry out industry-academia-research cooperation with Sichuan University, jointly establish a "Postdoctoral Innovation Practice Base" with South China University of Technology, and conduct equipment, process, technology development and talent nurturing work in respect of high-performance lithium-ion battery separators and various functional membranes with Tsinghua University, Huazhong University of Science and Technology and other universities and research institutes.

We are one of the few enterprises in the industry with independent equipment research and design capabilities

The separator industry is capital-, technology- and asset-intensive, with complex manufacturing processes that demand highly specialised equipment. Unlike general membrane processing, separator equipment must be customised to our specific process requirements. We are one of the few companies in the lithium-ion battery separator industry with independent research, design and development capabilities for key manufacturing equipment. Through years of independent R&D, we have mastered the design and engineering of core separator production machinery, including raw material handling, extrusion, casting, stretching, extraction, recovery, slitting and coating systems. All key equipment is either developed in-house or tailor-made to our specifications, ensuring optimal integration with our processes and meeting exacting quality standards. We regularly upgrade our manufacturing lines to enhance quality and efficiency in line with market needs. For details, see "— Equipment and Machinery"

We believe our self-developed production lines offer a significant competitive advantage in cost efficiency. In August 2023, we launched the world's first fifth-generation super wet process production line, featuring an equipment width of over eight metres and an annual production capacity of 250 million square metres. This represents more than double the single-line capacity of our previous fourth-generation wet process line, establishing a new industry benchmark for production efficiency and creating a substantial competitive barrier. The latest generation of manufacturing equipment incorporates major advancements in automation and intelligence, introducing the industry's first smart manufacturing system 2.0 platform. This system integrates the Warehouse Management System (WMS), Warehouse Control System (WCS) and Manufacturing Execution System (MES) to enable real-time monitoring, process inspection and assignment of unique identifiers to each product, ensuring full traceability and consistently high product quality. According to Frost & Sullivan, our fifth-generation super wet process line also achieves ultra-low emissions and ultra-high recovery rates, setting new standards for quality, efficiency, intelligence and low-carbon operation.

Meanwhile, we have upgraded our dry process separator production lines to the sixth generation, increasing efficiency by 40% compared to the previous generation. We have successfully achieved a high level of domestic manufacturing capability for dry process separator production equipment, thereby advancing localisation within the separator industry. During the Track Record Period, continuous process optimisation and technological improvements have significantly enhanced the capacity of both our dry and wet process production lines, resulting in lower unit production costs. Leveraging our technology, customer relationships, equipment and cost management, we achieved industry-leading gross profit margins during the Track Record Period. We believe that independent equipment R&D capabilities differentiate us from our peers and lay the foundation for our long-term growth.

Our global production and R&D network lay the foundation for our services to overseas customers

As at the Latest Practicable Date, our manufacturing bases that have commenced mass production are all located in China, namely Shenzhen, Hefei, Changzhou, Nantong, Jiangsu and Foshan manufacturing bases. We believe we have seized the market opportunities brought by the rapid development of the lithium-ion battery separator industry and actively expanded our production capacities and developed middle- and high-end products, which allowed us to enhance our global presence. Each of our manufacturing bases that have commenced mass production achieved a utilisation rate of over 80% in 2024. We plan to further expand our production capacity through our new manufacturing base in Sweden, Malaysia and the U.S. which are under construction and will gradually become operational to meet customers' orders in the overseas markets.

Through streamlined production, management and quality control systems, we are able to control costs and ensure stable supply and product quality. We have implemented a "make-to-order" production approach and developed the ISO production process management control system to process customer orders efficiently. We believe in our ability to accurately identify customer needs and market opportunities, as our production planning, raw material procurement, manufacturing, storage, quality control, delivery and related processes enable us to meet the diverse requirements of our clients. We regard product quality control as a key part of production management, in particular safety performances as it is fundamental to our brand recognition. The quality of our products is well regarded in the overseas markets. We have been recognised as an "Excellent Partner" and "Excellent Quality Partner" by LG Energy Solution, and as "Best Strategic Partner" by Sunwoda. In 2023, we also received the "Excellent Quality Award" from EVE Energy and the "Excellent Supply Award" from Gotion High-tech.

Our global R&D centres and manufacturing bases operate in close synergy to drive innovation and maintain competitiveness across our product lines. For example, the Membrane Technology Research Institute in Shenzhen is responsible for the implementation of annual plans for product a

The graph below demonstrates our glo nce, showcasing the network of our manufacturing bases and R&D centres.

Our customers include over 100 lithium-ion battery customers. Domestically, our primary customers include well-known battery manufacturers such as CATL, BYD, CALB, Gotion High-tech, Sunwoda and EVE Energy; in the overseas market, our products are supplied to top-tier manufacturers such as LG Energy Solution, Samsung SDI, AESC, Murata, SK On and SAFT.

We are committed to continuously deepening our global development strategy and vigorously expanding our overseas customer base. Our lithium-ion battery separator products generally enjoy higher profitability in overseas markets than in the domestic market. As the first lithium-ion battery separator manufacturers in China to achieve mass export to the overseas markets, we believe we enjoy a first-mover advantage internationally. Benefiting from this, and as our overseas manufacturing bases commence operations, our revenue from overseas sales is expected to grow at a rapid pace, further enhancing our profitability.

We have an experienced and visionary management team and have established a robust talent incentive mechanism to promote sustainable development

Our founder, Prof. Chen Xiufeng, is a leading figure in the lithium-ion battery separator industry with both a strategic vision and 20 years of industry experience. Prof. Chen holds a bachelor's degree in engineering from Huazhong University of Science and Technology. He has accumulated profound industry experience and an excellent reputation in the lithium-ion battery separator sector. He currently serves as the executive vice president of Shenzhen Polymer Industry Association, vice president of the third sessions of the Council of Shenzhen Quality City Promotion Association, vice president of Guang Ming General Chamber of Commerce, etc. He previously served as the executive vice president of Shenzhen Sichuan Chengdu Chamber of Commerce to develo75.2()-454(d)1.2(v)38r2-9-63

OUR GROWTH STRATEGIES

Continue to invest in the R&D of key technologies for lithium-ion battery separator products, production equipment, raw material, solid-state battery membranes and other functional membranes

We will further invest in product R&D and technological innovation to reinforce our leading position in lithium-ion battery separator technology. At the same time, we will promote advances in solid-state battery membranes and other functional membranes, progressing towards a world-leading enterprise in the research, development and manufacturing of polymer functional membranes.

In the lithium-ion battery separator sector, we focus on meeting the core requirements of next-generation batteries with high energy density, enhanced safety, rapid charging and cost efficiency. Our primary strategy centres on the use of thin base membranes, diverse specialised coatings, advanced equipment and a robust local supply chain. This integrated approach is designed to create comprehensive technical barriers spanning products, equipment and raw materials. Specifically:

- Product innovation: We are dedicated to enhancing both our dry process and wet process separators, with a particular focus on developing ultra-high-strength base membranes and broadening our coating portfolio. This includes high heat resistance coatings, aqueous high adhesion coatings, fluorine-free coatings and high-performance specialty coatings. These advancements will expand the application scenarios for our lithium-ion battery separator products, offering global customers solutions that improve energy density, lifecycle and overall safety.

- Equipment advancement: We will continue upgrading our production lines to increase their width, speed, intelligence and environmental friendliness. By integrating artificial intelligence technology, we aim to further promote intelligent manufacturing and establish strong technical barriers. Leveraging our world-leading capabilities in smart separator manufacturing, we will further strengthen our advantages in product quality and production efficiency.

- Raw material development: We will promote collaboration among industry, academia and research institutions to advance the localised production of high-quality raw materials, enriching our material variety and reducing costs. At our overseas manufacturing bases, we will work closely with customers to accelerate the adoption of local raw materials and develop local supply capacities, thereby lowering transport costs and enhancing supply chain resilience.

- Solid-state battery innovation: We are committed to developing core technologies for semi-solid-state electrolyte separators and solid-state battery electrolyte membranes. By collaborating across the supply chain, we aim to jointly drive the development of cutting-edge technologies and products. With our advancing R&D ability and existing manufacturing equipment we are prepared for mass production of our oxide and polymer solid electrolyte membranes and are actively advancing related product industrialisation.

For other functional membranes, our strategy of "in-depth technology + diverse application" builds on our expertise in the lithium-ion battery separator sector to expand into sectors such as water treatment membranes and heat exchange membranes. We have completed the technical feasibility demonstration and prototype development in several new areas. Moving forward, we will increase investment to accelerate breakthroughs in core technologies, such as membrane structure design and surface modification, and drive the industrialisation and broad application of these products. Our goal is to build a global ecosystem for functional membranes, covering a wide range of sectors including new energy, energy saving, environmental protection and medical and healthcare industries.

Strengthen our relationships with existing customers, accelerate overseas market expansion and actively pursue new customers worldwide

We will continue to look for opportunities for strategic collaborations across the global lithium-ion battery value chain, which we believe will bring us the opportunities for deepening cooperation in technological innovation, production capacity synergy, and market development. These partnerships will enable us to provide complementary technical support, jointly expand market opportunities and share risks. For details, see "Future Plans and Use of [REDACTED] — Use of [REDACTED]."

- Technological innovation. We will work closely with our world-leading lithium-ion battery customers on R&D initiatives, align with their requirements and participate in their product innovation processes. This approach not only meets customer needs but also drives continuous upgrades and technical advancements in our products.

- Production capacity synergy. We plan to establish manufacturing bases overseas, achieving localised manufacturing both domestically and overseas. This will better fulfil downstream customers' requirements for a global production footprint.

- Market development. We aim to expand downstream applications by exporting our technical standards and leveraging our global production capacity, working hand in hand with customers to open new market opportunities.

We remain committed to an international development strategy. Seizing opportunities from the rapidly growing NEV industry, we will step up efforts to acquire overseas customers and further deepen strategic partnerships with leading international lithium-ion battery manufacturers. At the same time, we will enhance our local service capabilities to better serve overseas markets and increase our global market share.

Actively seize opportunities in the new energy industry to further implement our global strategies and develop global operating capabilities

We are committed to expanding both our domestic and international production capacity, with a particular focus on key projects such as the Sweden manufacturing base with wet process and coated separator production lines, the Malaysia manufacturing base focusing on high-performance wet process separator and coated separator production and the U.S. manufacturing base dedicating to the production of multi-coated separator

products. The successful execution of these projects will significantly boost our production capacity worldwide, establishing us as a specialised leader in lithium-ion battery separator research, development, and production, with comprehensive supply capabilities and advanced technologies.

Our “international R&D strategy” places the Shenzhen headquarters at the centre of our global innovation efforts while reinforcing overseas R&D centres to form a network with localised strengths. We have set up R&D centres in Southern China (Shenzhen), Eastern China (Nantong), Osaka (Japan) and Sweden to create a globally interconnected R&D platform, enhancing resource integration and collaborative innovation worldwide.

To build core competitiveness, we are deepening our global talent development strategy by recruiting and cultivating R&D as well as sales professionals. In R&D, we target

relationships, including with companies already operating in or adjacent to the semiconductor industry, open up valuable pathways to potential customers in the new sector. Finally, our rigorous quality control systems and experience in meeting international standards align well with the requirements of the semiconductor industry, allowing for a smooth expansion into this business.

In the semiconductor materials sector, we are developing high-purity ceramic materials such as aluminium oxide, silicon dioxide and boehmite, which have applications in thermoelectric semiconductors, ceramic boards and quartz components. With the growing global demand for intelligent and automated equipment, these semiconductor materials are increasingly used in critical industries including consumer electronics, medical devices, automotive manufacturing and new energy.

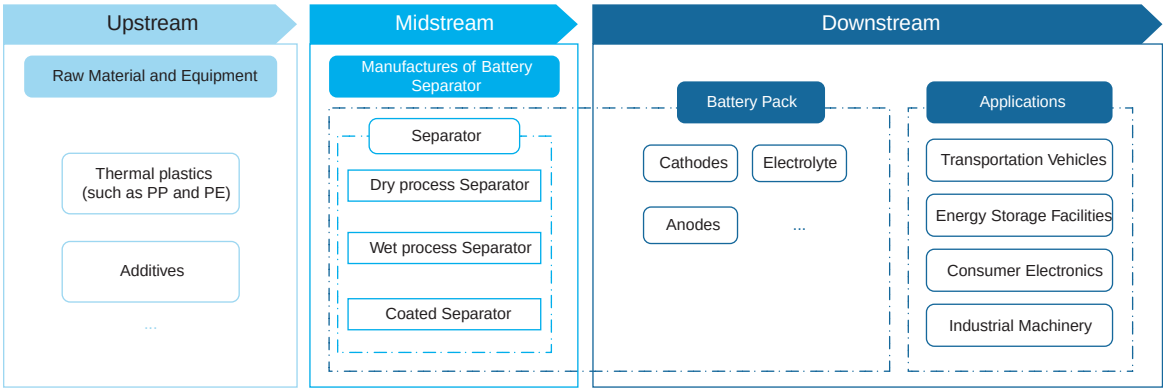
As the first and one of the few companies in China with capabilities in all three types of lithium-ion battery separator production technologies, we bring more than 20 years of technological expertise to the new energy materials industry. We consistently prioritise innovation and market growth, closely aligning our efforts with industry trends and our strategic objectives. To this end, we actively leverage top-tier resources in the semiconductor materials sector and collaborate strategically with leading domestic and international manufacturers.

Looking ahead, we will accelerate the conversion of technological achievements into industrial production and enhance our manufacturing capacity, pursuing synergistic improvements in both innovation and industrial value. We believe these actions will help us secure a first-mover advantage in the domestic semiconductor materials sector and further elevate our development to new heights.

OUR CRITICAL ROLE IN THE BATTERY VALUE CHAIN

We are a leading company in the R&D, manufacturing and sales of lithium-ion battery separator. Separator is one of the core components of lithium-ion battery with the function of preventing physical contact between electrodes while serving as the electrolyte reservoir to enable ionic transport. Battery separators are crucial to the batteries not only because they prevent short circuits, but they also act as a safety measure that shuts off the flow of lithium-ions to prevent the battery overheating and explosions. Consequently, battery separators have a direct impact on the quality, safety and production cost of lithium-ion batteries.

The flowchart below illustrates the critical role battery separator plays in the entire lithium-ion battery value chain:



- Upstream: Major upstream suppliers in the battery separator industry encompass raw material suppliers and equipment manufacturers. Raw material suppliers provide materials such as thermal plastics, additives, packaging and auxiliary production materials, while the equipment suppliers provide machineries and tools.

- Midstream: Battery separator manufacturers at the midstream offer dry, wet and coated process separators that are suitable for different applications. The leading battery separator manufacturers that have in-house design capability generally design key production equipment for both dry and wet process separators that is highly compatible with their proprietary production techniques, which will enable them to produce high-quality separators with high level of precision and production efficiency.

- Downstream: The battery separators are applicable to lithium-ion batteries for a wide range of application scenarios, including transportation vehicles, industrial machinery, energy storage facilities and consumer electronics, etc.

We pride ourselves on being a reliable partner to other players in the lithium-ion battery value chain. Given the essential role of battery separators in the lithium-ion battery, the downstream lithium-ion battery manufacturers place great emphasis on the selection of suppliers of separators. As the first Chinese enterprise engaged in the research and manufacturing of lithium-ion battery separators according to Frost and Sullivan, and with more than 20 years of industry experience, we believe we have become a world-leading lithium-ion battery separator manufacturer with strong brand recognition in the industry. Being the first manufacturers in China to lead mass export of lithium-ion battery separators according to the same source, we have established relationships with global key players in the lithium-ion battery value chain. Our key customers are primarily leading domestic and overseas lithium-ion battery manufacturers, including LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda.

OUR PRODUCTS

We are primarily engaged in the R&D, manufacturing and sales of lithium-ion battery separator which is an indispensable and core component of lithium-ion batteries. During the Track Record Period, we offer our customers a comprehensive product portfolio of lithium-ion batteries separators that are designed and manufactured in-house, which primarily include dry process separators, wet process separators and coated separators.

With more than 20 years of specialisation in the lithium-ion battery industry, our team has accumulated extensive R&D, design and manufacturing expertise, which has empowered us to pioneer in lithium-ion battery separator manufacturer industry. Through continuous innovation and optimization, we are the first company in China with the production technologies of lithium-ion battery separators and the first in China to possess the dry process, wet process and coating process techniques for producing lithium-ion battery separators. We focus on the improvement of process engineering, manufacturing technology and quality control, while maintaining a dynamic R&D system that features continuously enhancing R&D platform and active international R&D collaborations. According to Frost & Sullivan, our lithium-ion battery separator shipment volume ranked second globally for the last five years consecutively, with our global market share increasing from 11.0% in 2020 to 14.4% in 2024.

In terms of our services, we have built a specialised technical service network for our customers. Bringing together scientists in R&D, manufacturing and applications of lithium-ion battery separators and experts in quality control and electrochemistry, we have established a one-stop technical support for our customers, offering step-by-step guidance from pre-sales consultation to product customisation and to post-delivery product services.

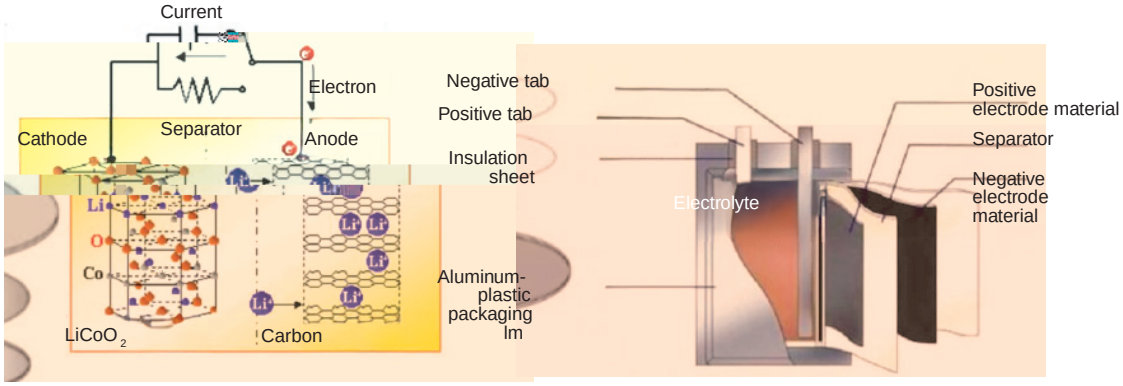
Working Principle and Applications of Battery Separators

We offer our customers a comprehensive product portfolio of lithium-ion battery separators. Separator is one of the core components of lithium-ion battery with the function of preventing physical contact between electrodes while serving as the electrolyte reservoir to enable ionic transport. It directly affects the quality, safety and production cost of a lithium-ion battery.

A separator is located between the positively charged anode and negatively charged cathode inside batteries. It is generally made of microporous membrane which enables lithium-ion to efficiently flow via the electrolyte while separating positive and negative electrodes to prevent internal short circuits. When the separator becomes wetting by the electrolyte, it acts as a catalyst that increases the movement of ions from the cathode to the anode when the battery is being charged and from the anode to the cathode when the battery is being discharged. However, when battery is abnormally overheated and reaches the separator's melting point, it shuts down to prevent short circuits. The melting and viscous flow of the polymer, which is the primary material of a separator, results in a shutdown to close the micropores in the separator, thus slowing down the ion flow between the electrodes and stopping the battery's operations. If the internal temperature of an overheated battery further increases and approaches the separator's melting point, a heat

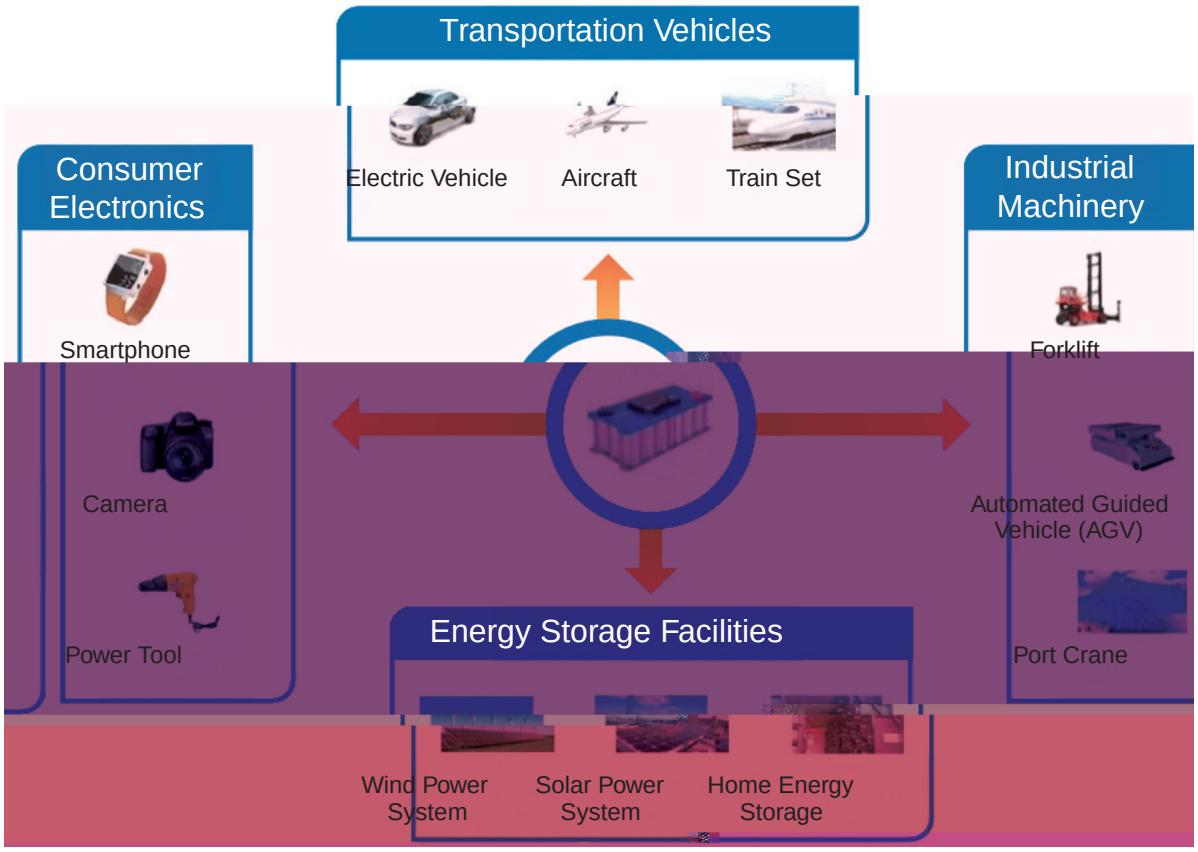
shrinkage of the separator would cause the anode and cathode in the battery to come into direct contact, resulting in a short circuit. Thus, compression resistance and thermal stability of the separator, which directly affects the safety and quality of the battery, is highly dependent on the separator's ability to shut down as well as its thermal shrinkage rate when melting point is reached, which varies in different products.

The graph below demonstrates the working principle of lithium-ion batteries and the role of battery separators.



Our separators are widely used in lithium-ion batteries for various transportation vehicles, electrical energy storage facilities, consumer electronics such as smartphones, cameras and power tools, and industrial machinery such as cranes and forklifts. Our comprehensive product offerings can meet the varied and specific demands of our customers, namely the lithium-ion battery manufacturers, based on the end use of their batteries. With our diverse product offerings, we believe we have established market leadership and brand recognitions under our "SENIOR " brand in the lithium-ion battery separator industry.

The chart below demonstrates the specific applications of our lithium-ion battery separators.



Our Core Products

Our core product portfolio contains three major types of separators categorised by their manufacturing techniques: dry process separators, wet process separators and coated separators. Due to differences in manufacturing techniques, the three types of separators have distinctive features that render them suitable for different applications. The table below sets forth certain details of our core products.

Products	Main Specifications	Characteristics	Applications
Dry Process Separator	. Thickness: 3–40 m . Breathability: 120–150s . Porosity: 30%–60% . Puncture strength: 200 + gf	. High melting point temperature . No shrinkage in transverse direction . Adjustable pore size, good uniformity	Used in batteries for EVs, electric bicycles, power tools, digital devices and energy storage

Products	Main Specifications	Characteristics	Applications
Wet Process Separator	. Thickness: 3–25 m . Breathability: 70–500s . Porosity: 30%–60% . Puncture strength: 300 + gf	. Diverse designs . Uniform pore size distribution . Good permeability . High porosity . High strength	Used in batteries for EVs, power tools and high-end digital devices
Coated Separator	. Thickness: 5–25 m . Breathability: 100–400s . Porosity: 30%–60% . Puncture strength: 400 + gf	. High thermal stability . Improved electrolyte . Wettability . High electrochemical stability . Low impedance . Customizable coating morphology	Used in power, digital and energy storage batteries with higher safety requirements

Dry Process Separators

Our dry process separators typically have a thickness range of 3* 40 m, a breathability of 120–150s and a porosity range of 30%–60% and a puncture strength of 200gf or above based on the thinnest specification. Dry process separators typically have a high melting point at 160* 175°C and a less than 5% horizontal thermal shrinkage rate at 120°C. The high shutdown and melting points and low thermal shrinkage rate give our dry process separators strong anti-oxidation resistance and high thermal stability, and therefore excellent safety performance.

Our dry process separators are particularly suitable for batteries with high safety requirements, such as lithium iron phosphate (LFP) batteries that are primarily used in electrical energy storage and NEVs, and lithium cobalt batteries used in consumer electronics.

Wet Process Separators

Our wet process separators typically have a thickness range of 3* 25 m, a breathability of 70–500s and a porosity range of 30%–60% and a puncture strength of 300gf or above based on the thinnest specification. Our wet process separators typically have a shutdown temperature at 130–155°C, a melting point at 135°C and a less than 5% horizontal thermal shrinkage rate at 105°C. Our wet process separators typically have a uniform pore size and even pore distribution, which is critical to allow a uniform ion current throughout the battery. Such properties allow our wet process separators to possess ideal thickness, chemical stability, tensile strength and permeabilit78.m(n)-423.2

Coated Separators

The table below sets forth the breakdown of the sales volume and average selling price by product category for the periods indicated:

	Year ended 31 December									Nine months ended 30 September					
	2022			2023			2024			2024			2025		
	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price	Revenue	Sales volume	Average selling price
		thousand m^2	RMB per m^2		thousand m^2	RMB per m^2		thousand m^2	RMB per m^2		thousand m^2	RMB per m^2		thousand m^2	RMB per m^2
Dry Process Separators. . . .	522,543	667,811	0.78	675,727	1,194,164	0.57	469,995	1,342,354	0.35	367,159	952,989	0.39	360,632	971,636	0.37
Wet Process Separators. . . .	454,116	315,771	1.44	469,107	443,937	1.06	495,103	610,979	0.81	391,882	466,014	0.84	458,925	628,523	0.73
Coated Separators.	1,890,059	719,254	2.63	1,837,029	890,429	2.06	2,541,055	2,032,612	1.25	1,818,775	1,380,012	1.32	2,112,053	1,806,757	1.17
Total	2,866,718	1,702,836	1.68	2,981,863	2,528,530	1.18	3,506,153	3,985,945	0.88	2,577,816	2,799,015	0.92	2,931,610	3,406,916	0.86

In 2024, we accounted for a market share of approximately 25.6%, and ranked first in the global dry process battery separator market. At the same year, we also ranked second in the global wet process battery separator market, accounting for a market share of approximately 11.0%.

OUR CORE TECHNOLOGIES

According to Frost & Sullivan, we are the first and one of the few enterprises in China with capabilities in all three types of lithium-ion battery separator production technologies, namely dry process, wet process and coated process separators. With in-house experts across various disciplines, we have independently developed a series of key technologies in relation to the manufacturing of lithium-ion battery separators, such as the microporosity forming technology, nanofibre coating technology. Utilising the core technologies that we developed, we have also designed key manufacturing equipment in-house.

We have also developed key solid-state battery technologies, including solid-state electrolyte membranes and semi-solid-state electrolyte separators. Using these advancements, we have achieved significant progress in both areas.

We are leveraging our expertise in battery separators to expand into functional membranes, making advances in heat exchange, waterproof and breathable, and water treatment membranes.

Lithium-ion Battery Separator Technologies

Microporosity Forming Technology

Producing lithium-ion battery separators involves forming a microporous structure, which is crucial for lithium-ion movement between the cathode and anode. Key characteristics include pore size, distribution and porosity, with smaller, more uniform pores enhancing production yield and quality. Forming a microporous structure requires complex, nanoscale microporosity forming techniques. Our proprietary technology allows us to accurately adjust and control the tensile strength and dimensional stability of separators, thereby producing separators with appropriate pore size, pore distribution and porosity.

When producing dry process separators for lithium-ion batteries, uniaxial stretching is used to create a microporous structure by stretching a precursor film in one direction. We are the first Chinese company to master the dry process uniaxial stretching technology and thus become the first domestic enterprise to achieve mass production of dry process separators, breaking the monopoly of overseas enterprises. Our corresponding research result won the First Prize of State Science and Technology Progress Award in 2024 and the First Prize of Science and Technology Progress of Ministry of Education ( ) in 2023. It was also certified as International Leading Level Technological Achievement by Sichuan Institute of Scientific and Technological Information ( ). With this proprietary technology, our dry process separators feature a high melting point of 160–175°C and minimal thermal shrinkage of less than 5% at 120°C, providing excellent thermal stability and strong anti-oxidation resistance for enhanced safety. Currently, our dry process separator production lines are in the process of being upgraded to the sixth-generation production line, representing an increase of 40% in efficiency compared to the previous generation, surpassing that of most competitors, which typically achieve 15 to 25% gains in output per upgrade cycle.

We first acquired the techniques of producing wet process separators in 2006 and realised mass production of wet process lithium-ion battery separators in 2014. Over the years, we focused on upgrading the wet process separators, with breakthroughs in production of ultra-thin and wide battery separators. We kept investing in the advanced technology of ultra-thin and high-strength battery separators, which enhances battery energy density while maintaining safety performance. Our relevant research project was awarded Second Prize of Science and Technology Progress of Guangdong Province ( ) and certified as the International Advanced Level Scientific and Technological Achievement by Guangdong Materials Research Society ( ). Leveraging our industry-leading technology on wet process separators, our wet process products provide not only excellent mechanical properties but also optimal charge-discharge cycles, ensuring reliable and safe battery operation, with robust puncture strength, controlled porosity and specific breathability ranges.

Nanofibre Coating Technology

The nanofibre coating technology utilises low-dimensional nanomaterials as composite reinforcement materials, which are selected based on their general characteristics and electrochemical performance. The resulting composite separator coating has a thickness of less than one m, with heat resistance exceeding 180°C and a breakdown temperature higher than 180°C, which is significantly superior to current mainstream coated separator products and separator coating technologies in terms of thermal stability, mechanical strength and safety performance. When applied to batteries, this technology enhances the gravimetric energy density by 1% and the volumetric energy density by 0.5%. In a fully charged oven test at 200°C, the battery's thermal runaway time increased from 600 seconds to 800 seconds, demonstrating substantial improvements in both thermal safety and energy density, outperforming competing products in the industry, which typically exhibit thermal runaway within 500 to 700 seconds under similar conditions.

Taking advantage of our advanced nanofibre coating technology, our nanofibre coated separators offer high temperature resistance, high strength and fast wettability, effectively slowing heat transfer and providing essential support for battery safety. These new products enhance the overall performance and lifespan of lithium-ion batteries by improving safety, energy density and charging speed. Our research project on high-performance nano-coated composite separators won the First Prize of Technological Invention ( ) awarded by China Petroleum and Chemical Industry Federation ( ).

Manufacturing Equipment Designed In-House

The manufacturing of separators, in particular the wet process separators, involves complex production techniques and processes. Manufacturing equipment for lithium-ion battery separators must be both highly efficient and highly precise to meet the specifications of the customers and be fully compatible with our production techniques and processes. As such, manufacturing equipment must be tailored to the production techniques and processes for different types of separators.

Our R&D team is among one of the few companies in the industry that are capable of researching and designing manufacturing equipment for both dry and wet process separators that is highly compatible with our proprietary production techniques. With respect to dry process, we possess the key technologies for extrusion equipment, casting equipment and stretching equipment, significantly advancing our local manufacturing capabilities. With respect to wet process, we participate in the customised design of the wet process equipment to ensure its compatibility with our proprietary production technologies, so as to meet the high precision requirements of our customers. In August 2023, we launched the world's first fifth-generation super wet process production line, featuring width over eight metres and an annual production capacity of 250 million square metres. This achievement marks a more than twofold increase in single-line capacity compared to the fourth-generation wet process line, setting a new industry benchmark for production efficiency and creating a significant competitive advantage in equipment. See "— Manufacturing — Equipment and Machinery

Semi-Solid-State Electrolyte Separator Technology

A semi-solid-state electrolyte separator is an important component in semi-solid-state batteries, acting as an intermediate technology between conventional liquid electrolyte batteries and solid-state batteries. Semi-solid-state electrolyte separators are produced using advanced composite coating and integrated moulding technologies. Composite coating involves applying a semi-solid electrolyte onto a separator substrate to enhance ionic conductivity and stability. Integrated moulding combines fibre frameworks with solid electrolytes, resulting in high strength, high lithium-ion conductivity and low interfacial impedance. Semi-solid-state electrolyte separators are essential for semi-solid-state batteries because they enhance safety by reducing the risk of leaks and fires associated with liquid electrolytes. They also improve energy density, leading to more powerful and longer-lasting batteries. Additionally, these separators offer better ionic conductivity and mechanical strength, which boosts overall battery performance and durability. They are cost-effective, utilising existing lithium-ion battery manufacturing processes, and serve as a crucial bridge between current lithium-ion batteries and future solid-state batteries, facilitating technological advancements.

Our semi-solid-state electrolyte separators, with a thicknesses range of 3~20 m, are engineered for high-performance EVs, drones and robots. These separators feature superior low-temperature performance, enhanced safety profiles and low interface resistance, making them ideal for advanced battery solutions. For example, our LATP electrolyte membrane demonstrates excellent low-temperature performance, with an improvement of around 8% in low-temperature cycling at –25°C as compared to current lithium-ion battery separators, surpassing that of most separators, which typically exhibit capacity retention losses exceeding 10 to 15% under the same conditions. Our semi-solid-state electrolyte separator products have been designed to fully integrate with existing in-house manufacturing processes. No significant adjustments to our production lines or equipment are required, which ensures efficient transition to full-scale production.

In future, we plan to offer LATP-coated, PEO-coated and gel electrolyte composite separators, all of which are compatible with current semi-solid-state battery designs. We intend to launch LATP-coated and PEO-coated separators in the end of 2025, and we plan to launch gel electrolyte composite separators in the fourth quarter of 2026. Our production capabilities support large-scale manufacturing, enabling a steady supply to meet growing industry demand. The table below sets forth certain details of our semi-solid-state electrolyte separators.

Products Series	Main Specifications	Characteristics	Applications	Current Stage
LATP-coated Separator	. Thickness: 7–15 m . Breathability: 90–250s . Porosity: 38–60% . Puncture strength: 50–80gf	. Ultra-thin and lightweight . Excellent heat resistance . High energy density . Excellent low- and high-temperature performance . High cycling stability . High safety	Batteries for EVs, consumer electronics, energy storage facilities, drones and humanoid robots	Capable of mass production
PEO-coated Separator	. Thickness: 9–14 m . Breathability: 1,000–20,000s . Porosity (substrate): 35–50% . Puncture strength: > 50gf	. Highly reductive resistant . Compatible with lithium-ion metal interface . 100% polymer-coated surface, with high Gurley value and low impedance . High puncture safety . Excellent high-temperature cycling	Batteries for high-safety home energy storage systems and electric two-wheelers	Capable of mass production
Gel Electrolyte Composite Separator	. Thickness: 3–7 m . Breathability: 30–100s . Porosity: 50–70% . Puncture strength: > 30gf	. Combines ultra-thin profile with high mechanical strength . Suitable for automated mass assembly . Excellent wettability . Can be made from higher heat-resistant polypropylene material	High-safety EV batteries	Under testing stage

Solid-State ElectrolyteMembrane Technology

As a solid ionic conductor, solid-state electrolyte membrane is a key component in solid-state batteries, replacing the liquid electrolytes typically found in conventional lithium-ion batteries. The manufacturing of solid-state electrolyte membrane mainly involves fibre nanofication and pre-dispersion, solid electrolyte dispersion and grinding, mixing pulping, wet integrated forming, drying film formation, and other steps. Typically, we use integrated moulding technology to combine the fibre framework and solid electrolyte, which features high strength, high lithium-ion conductivity and low interfacial impedance. This addresses the bottleneck issue in the production of the

solid-state electrolyte membrane — poor contact between solid electrolytes and electrodes, leading to slow kinetics, and chemo-mechanical issues that cause contact loss or interphase formation, reducing efficiency. Solid-state electrolyte membranes play a critical role in the advancement of solid-state battery technologies, offering a range of important benefits. By replacing flammable liquid electrolytes, they greatly improve safety, effectively reducing the risks of leakage and fire. Their design allows for the use of lithium metal anodes, which deliver significantly higher energy densities than conventional graphite anodes. This contributes to the development of lighter, more powerful batteries. In addition, these membranes provide superior mechanical and thermal stability, resulting in batteries that are both longer lasting and more reliable over time. Solid-state batteries equipped with these membranes can achieve higher power densities and support faster charging, significantly boosting overall performance. The adoption of solid-state technology also enables innovative battery configurations, including flexible and bipolar designs, which are essential for future applications in consumer electronics, transportation vehicles and energy storage.

In the battery industry, solid-state electrolyte membranes mainly face two major technical challenges. Firstly, the production process is highly demanding, making large-scale manufacturing difficult and resulting in extremely high costs. Secondly, achieving thin membranes is technically challenging, and it is generally difficult to reduce the thickness of solid-state electrolyte membranes to below 30 m. By using integrated forming technology for production, we believe our electrolyte membrane overcomes the difficulties of mass-production, enabling large-scale manufacturing for future applications and advancing the rapid commercialisation of solid-state batteries. Furthermore, this integrated forming technology allows for further membrane thinning, enhancing the energy density of solid-state batteries.

We design solid-state electrolyte membranes with a thicknesses range of 7~30 m, targeting high-end digital and power battery sectors. Our proprietary integrated moulding technology combines a robust fibre framework with cutting-edge solid electrolytes, resulting in membranes offering high mechanical strength, impressive lithium-ion conductivity and low interfacial impedance. For instance, we have developed an integrated, self-developed solid-state electrolyte membrane features a tensile strength of at leayte(oli)-TJ19.46-19.0pnh041.2726R(t)-rolithetF305.3.1(an460TDatt)-4(thxid9.6(s).634(fra05.3is.2(ee

Functional Membrane Technologies

In addition to our traditional lithium-ion battery separators, we intend to provide customers in other fields with various kinds of functional membranes, primarily including heat exchange membranes, waterproof and breathable membranes and water treatment membranes. Currently, all of our functional membranes below are fully developed and ready for market launch. We plan to launch the following products as soon as we finish the market research and customer development. All functional membrane products have been designed to fully integrate with existing in-house manufacturing processes. No significant adjustments to our production lines or equipment are required, which ensures efficient transition to full-scale production.

- Heat exchange membranes: Our heat exchange membranes typically feature a thickness ranging from 20 to 30 m, an air permeability of 0.01~0.03 m/Pa s, and a puncture strength of 300 grammes or higher based on the thinnest specification. These membranes are widely employed in air ventilation and energy recovery systems for large-scale buildings, such as hospitals, shopping centres and office buildings. They are also utilised for home air quality improvement, industrial waste heat recovery, and initiatives aimed at reducing.

- Waterproof and breathable membranes: Our waterproof and breathable separators have a standard basis weight of 65–75g/m^2 and a light weight of 8.5g/m^2. They offer excellent waterproof performance, withstanding hydrostatic pressures up to 120kPa, and provide high breathability at 8,500g/(m^2 24h). With a strong machine direction tensile strength of 1,400Kgf/cm^2, these separators are commonly used in outdoor apparel where durability, comfort and weather resistance are essential.

- Water treatment membranes: Our water treatment membranes typically have a coated thickness range of 20 to 30 m, a porosity range of 35% to 60% and a desalination efficiency of over 99%. Water treatment membranes are currently widely applied to municipal water treatment, purification of domestic water, seawater desalination, and lithium extraction from salt lakes.

As our existing R&D centres and platforms continue to deepen our research on functional membranes, and with our new overseas manufacturing bases come into operation, we believe that the sales of functional membranes will continuously facilitate the diversification of our product portfolio.

RESEARCH AND DEVELOPMENT

We are dedicated in the R&D of the underlying technologies, product development and design of manufacturing equipment for lithium-ion battery separators and other functional membranes. Further, we place increasing emphasis on the R&D of other relevant products, including semi-solid-state electrolyte separators, solid-state electrolyte membranes, functional membranes and semiconductor materials. We are devoted to building our R&D team, expanding our global R&D centres and establishing our R&D platforms,

through which we gain access to the latest knowledge and technologies in polymer materials, new energy, nanotechnology, lithium-ion battery and semi-solid-state and solid-state battery.

We continue to invest substantial capital in R&D and innovation. For the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2024 and 2025, our research and development expenses amounted to RMB207.3 million, RMB242.5 million, RMB248.0 million, RMB175.7 million and RMB201.0 million, respectively, representing 7.2%, 8.1%, 7.1%, 6.8% and 6.9% of our revenue for the same periods, respectively.

Our leading R&D capabilities have enabled us to independently develop a series of key technologies. See "— Our Core Technologies" in this section. Our achievements in R&D have been recognised by the market, governmental authorities and industry associations. For instance, our breakthrough research result on the production of dry process separator was awarded the First Prize of State Science and Technology Progress Award by the State Council, making us the only company in the lithium-ion battery industry to receive this prestigious award. See "— Awards and Recognitions" in this section for details on our awards and recognition during the Track Record Period. Our industry-leading R&D capabilities lay a strong foundation for our continuous business expansion in the mid- to high-end markets both domestically and overseas. We will continue to strengthen our competitiveness by improving our R&D capabilities.

Our R&D Team

The technology for manufacturing lithium-ion battery separators involves multiple disciplines, including polymer science, material processing, nanotechnology, electrochemistry, surface and interface science, mechanical engineering and automatic control technology. As such, we have attracted talents in these disciplines who form our team. As at 30 September 2025, we had an R&D team of 738 members, accounting for over 14% of our total employees. We have developed internal policies to promote inventions, forming of ideas, discoveries, improvements and development of copyrightable materials by our employees and to compensate employees for their R&D contributions.

In addition, we have established a technical committee responsible for reviewing and approving our strategic planning for technology R&D and new product development. This s

Our Global R&D Centres

Headquartered in Shenzhen, we have established domestic and overseas R&D centres to gain access to frontier technologies. Domestically, our Shenzhen R&D headquarter focuses on mainstream lithium-ion battery separator technology and cutting-edge membrane product development, while our Nantong R&D centre, collaborating closely with our manufacturing bases in Eastern China, devoted itself to the refinement of the mass production process. Internationally, our Japan R&D centre leverages local advantages in fine chemicals to delve into high-end coating technology, while our Sweden R&D centre takes advantage of the precision equipment in Europe to develop customised products. Our global R&D network has allowed us to achieve breakthroughs in the key production technologies and manufacturing equipment, which laid a solid foundation for the development of cutting-edge lithium-ion battery separators, functional membranes and other advanced membrane products.

The table below sets forth certain details of our global R&D centres.

R&D Centre	Details	Highlights
Domestic Research and Development Centres		
Frontier Technology Research Institute ( )	Located at Shenzhen, China Established in 2022	. Focus on the development of key materials and key technologies for lithium-ion battery separators, such as electrolyte membranes, electrocatalytic membranes and ultra-light membranes . Explore new product application fields and industrialise new products, including hollow fibre membranes and water treatment membranes
Membrane Technology Research Institute ( )	Located at Shenzhen, China Established in 2011	. Focus on the design and development of mainstream lithium-ion battery separator materials and products . Responsible for the development and implementation of annual plans for product and technology advancement across various research institutes and manufacturing bases
Equipment Centre ( )	Located at Shenzhen, China Established in 2015	. Focus on the development and design of new equipment, as well as the selection, introduction, installation and commissioning of new production lines . Carry out technical improvement and equipment-related management at our manufacturing bases . Responsible for the planning and layout of new manufacturing bases

R&D Centre	Details	Highlights
Eastern China Technology Research Institute ( )	Located at Nantong, China Established in 2023	. Provide technical services for manufacturing bases in Eastern China . Focus on the R&D of adhesive products, aramid products, thin high-strength substrates and heat-resistant products . Responsible for the preparation of product samples and their transition into mass production . Collaborate with universities and research institutions on the simulation and design of certain parts of our process production line
Overseas Research and Development Centres		
Senior Osaka Japan Research Institute Joint-Stock Company ( )	Located in Osaka, Japan Established in 2017	. Focus on the development of advanced membrane technologies on solid-state electrolyte membranes and semiconductor materials . Leverage local advantages in fine chemicals such as high-performance ultra-high molecular weight PE and solid PEO-PPO materials
Senior Europe Research Institute ( )	Located in Eskilstuna, Sweden Established in 2023	. Design high-end customised products for European customers, including industry leading lithium-ion battery suppliers in France and Germany

Our R&D Platforms

Our R&D platforms comprise in-house R&D platforms, which are established subject to filing and approval by the local government, and industry-academia-research platforms, which enable us to collaborate with academic institutions worldwide. These platforms differ from our R&D centres in that (i) in-house R&D platforms require filing with the relevant government authorities and (ii) industry-academia-research platforms involve collaboration with other parties, such as universities, while our R&D centres are generally established by ourself and without any requirement of filing with government authorities.

Our fundamental R&D and product development are centred around our proprietary technologies for the manufacturing processes of separators and our proprietary design of manufacturing equipment. With the support of the government and relevant authorities, we have established multiple industry-leading R&D platforms of lithium-ion battery separators. Our R&D platforms provide the infrastructure for us to focus on the R&D of raw materials, product development, manufacturing techniques, manufacturing equipment and applications of lithium-ion battery separators as well as technological innovations in other functional membranes. Leveraging our R&D platforms, we have established a project-centred R&D process, following the workflow of topic selection, launch of pilot projects, R&D and application of our technologies.

In-House R&D Platforms

The table below sets forth certain details of our in-house R&D platforms.

R&D Facility	Details	Highlights
National-Local Joint Engineering Research Centre for High-End Lithium-ion Battery Separator Preparation and Testing Technology ( )	Located at Shenzhen, China Established in 2018 National-level research centre recognised by NDRC	. A leading lithium-ion battery separator R&D platform in the country . Focus on the research of polymer lithium-ion battery separator materials . Enhanced R&D by increasing equipment investments and recruiting high-end talents . Establish innovative system for high-safety, high-strength, ultra-thin and functionalised separators
Shenzhen Lithium-ion Battery Separator Engineering Centre ( )	Located at Shenzhen, China Established in 2009	. Focus on innovative membrane-forming technology, coating technology and new material technology . Capable of preparing R&D sample for our customers . Develop distinctive products such as high-molecular porous separators, PI coated products and aramid coated separators
Shenzhen Polymer Materials Special Functional Membrane Engineering Laboratory ( )	Located at Shenzhen, China Established in 2012	. Focus on R&D and application of new functional polymer membranes . Engage in R&D, engineering production, application consultancy, problem diagnosis and solution provision
Shenzhen Functional Membrane Enterprise Technology Centre ( )	Located at Shenzhen, China Established in 2017	. Focus on optimising the production process across all stages of functional membrane development . Advance the development of high-end separator products through material formulations, functional raw material development, efficient processes, control technologies and proprietary equipment

Industry-Academic-Research Platforms

Our industry-academic-research platform scheme creates a collaborative framework that brings together the industry experts, academic institutions and our in-house research platforms to work on various meaningful R&D projects. While we generally provide resources such as achievements from our previous research projects, funding, equipment and offices for the R&D projects, our R&D partners, namely renowned universities, offer resources including training and instruction, research team and historical experimental data. Through such collaboration, we cultivate R&D talents and conduct the R&D in the production technology of high-quality lithium-ion battery separators, as well as the research on other functional membranes.

The table below sets forth certain details of our industry-academic-research platforms.

Academic Institution	Details and Highlights
Sichuan University	. A joint laboratory co-founded in October 2007 for the purpose of test analysis and research collaboration in relation to dry and wet process separators . Dry process separator project won the First Prize of State Science and Technology Progress Award
Tsinghua University	. Collaboration began in October 2021 to carry out research on separator coating technology . Jointly developed nanofibre-coated products and fibre dispersion technology, winning the First Prize of Technological Invention by China Petroleum and Chemical Industry Federation
South China University of Technology	. A centre for membrane material experiments and analysis, as well as talent cultivation . Cultivated five postdoctoral researchers for our talent pool

We established long-term collaborations with external partners to provide additional technical proficiency to advance our R&D efforts. The salient terms of our joint research and development agreement with global academic institutions typically include the following:

. Ownership of Intellectual Property Rights. Each party retains ownership of its pre-existing intellectual property. We have or are granted the right to use the jointly developed intellectual properties and to apply them in the R&D and manufacturing of our products, regardless of which party owns the intellectually property.

- Duration. Typically spans a period of two to five years, depending on the agreed project scope. Agreement can be renewed through negotiation upon determination.

- Confidentiality. Parties are typically required to treat any commercial and technical information which is not yet known to the public as a trade secret and with strict confidence.

- Allocation of Costs Typically, we make payments in stages to the academic institutions based on the progress of the R&D as specified in the agreement.

In addition to collaborations with domestic academic institutions, we have further established strategic partnerships with several key customers which are renowned overseas lithium-ion battery manufacturers. We typically develop the production processes and the product specifications based on specific needs of these key customers to ensure we meet their requirements as well as the stable supply and high performance of our products. Moreover, we actively collaborate with potential suppliers and other research institutions on the R&D of lithium-ion battery separators.

The salient terms of our joint research and development agreement with our customers, potential suppliers and other research institutions typically include the following.

- Ownership of Intellectual Property Rights Each party retains ownership of its pre-existing intellectual property. Ownership of jointly developed intellectual property is determined as contractually agreed.

- Duration. Typically spans a period of one to five years, depending on the agreed project scope.

- Confidentiality. Parties are typically required to treat any commercial and technical information involved as a trade secret and with strict confidence, which may be extended for a specified period after the termination of the agreement.

- Allocation of Costs Generally shared by participants as contractually agreed.

SALES AND MARKETING

As our customers are located in different countries and regions, we plan, organise and participate in marketing activities through a combination of online and offline channels. We promote our products and brand through our website and brochures, organise or co-host marketing conferences, participate in domestic and overseas industry exhibitions and meetings, attend customer-supplier conferences and organise online communication with major customers from time to time. For marketing in overseas markets, we have set up offices and subsidiaries in Japan, Malaysia, Singapore and Sweden to conduct diversified marketing and customer service activities. Specifically, in China, We solicits new customers

primarily by participating in trade exhibitions and through online promotion, such as official social media accounts. In overseas markets, new customers are acquired mainly via promotional activities on platforms such as LinkedIn.

We invest in sales and marketing to strengthen our leadership position in the lithium-ion battery separator manufacturer industry and promote our products and services. For the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025, our selling expenses amounted to RMB43.8 million, RMB38.7 million, RMB37.1 million, RMB24.3 million and RMB27.9 million, respectively, representing 1.5%, 1.3%, 1.1%, 0.9% and 1.0% of our total revenue during the same periods.

Sales Network

During the Track Record Period, we sold our products primarily through direct sales to customers, which are primarily domestic and overseas manufacturers of lithium-ion batteries including LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda. Through direct sales, we have established close and direct connection with our customers and are able to gain firsthand understanding of customers' technologies and business development plans, propose technical solutions and product selections and help customers solve problems.

Given our business expansion, we manage our sales and orders primarily by region to address the wide geographic distribution, development of technologies and differences in production scales of our different customers. Through this approach, we can promptly respond to evolving customer needs.

The salient terms of framework sales agreements with our customers are set out below.

- Service scope. We provide customers with lithium-ion battery separator products and relevant services. The specific models and quantities are specified in each procurement order under the framework agreement.
- Duration. Generally ranges from one to 10 years and may be renewed upon expiry.
- Pricing. As negotiated by both parties in each separate procurement order.
- Confidentiality. Parties are typically required to treat any commercial and technical information which is not yet known to the public as a trade secret and with strict confidence.
- Payment. All payments as specified in each separate procurement order, and invoices are issued to customers.
- Credit terms. Generally within 180 days.
- Product warranty. A standard product warranty of 12 months is typically included.

. Return and exchange policyCustomers shall inspect and examine the products before the acceptance. In case any defect is discovered, the customer has the. e-(e3641.8(t2

During the Track Record Period, we primarily sold coated separator products to the United States. The amounts of our separator products sales to the United States is RMB0.5 million, RMB1.6 million, RMB9.9 million and RMB44.3 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

Quality Warranty

Our warranty period is typically 12 months but may vary depending on the product type, product quantity and local regulatory requirements. During the warranty period, our customers may request our technical specialists to replace defective parts and components free of charge. If our product has a material structural or mechanical defect, as examined and confirmed by our skilled technicians, we will replace the product or its components at the request of our customer.

Following the expiration of the warranty period, we supply parts and components to our customers for a fee based on the services required. During the Track Record Period, we have not received any material complaints from our customers.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return and nor had we received any material complaints regarding our products. Our Directors consider that the quality of our products are generally stable and no provision for product return had been made during the Track Record Period.

Pricing

We have developed a standardised pricing reference for our sales and marketing team. We set prices based on the acceptability by our customers on one hand and our profitability on the other hand, taking into account a number of factors including, among others, costs of raw materials, size of purchase orders, customer purchase quantities, customer relationships, market competition and the prevailing market prices for separators in the target sales regions. In addition, we reserve the right to further adjust the price for our products when we observe dramatic fluctuations in the market price of key raw materials.

Our Sales and Marketing Team

Our in-house sales and marketing team provides products and value to our customers with an in-depth understanding of our customers' businesses and industries. With over 20 years of industry experience, our sales and marketing team is able to anticipate customers' needs. Our sales and marketing team also works closely with our R&D team in product development, so as4(e)-3t5.3(ableE(1T19.2(s)ouse)u)-1-2cH[16.6(icin)-5.n4b

We formulate our sales and marketing strategies annually based on our strategic objectives, business performance goals, market environment and customer relationships. Following our annual sales and marketing strategies, we set and assign sales and marketing targets on a monthly and quarterly basis. In addition, we have established a performance evaluation mechanism to conduct regular performance evaluations and provide incentives for the sales and marketing personnel.

CUSTOMERS

Our major customers are primarily lithium-ion battery manufacturers. We derived substantially all of our revenue from the sales of our lithium-ion battery separators during the Track Record Period.

As our products are applicable to lithium-ion batteries for a wide range of end use, including transportation vehicles, electrical energy storage facilities, industrial machinery and consumer electronics, we have a broad and diverse customer base. With the active expansion of our domestic and overseas business in recent years, our customers comprise of leading lithium-ion battery manufacturers both in China and abroad. Our major customers include LG Energy Solution, Samsung SDI, AESC, Murata, SK On, SAFT, CATL, BYD, Gotion High-tech, CALB, EVE Energy and Sunwoda.

In the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025, our top five customers in each period together generated RMB1,932.1 million, RMB1,903.5 million, RMB1,785.9 million and RMB1,805.0 million of revenues, respectively, accounting for 67.4%, 63.8%, 50.9% and 61.5% of our total revenue, respectively. In 2022, 2023, 2024 and the nine months ended 30 September 2025, revenue from our largest customer in each perio

The following table sets forth the details of our top five customers for each period during the Track Record Period.

Rank	Customer	Products Sold	Transaction Amount (RMB in millions)	Percentage of Total Revenue (%)	Business Relationship Since	Business Background	Credit Term
For the Year Ended 31 December 2022							
1	Customer A	dry process and coated separators	847.7	29.6	2012	Headquartered in South Korea, a company operating in various industries, including electronics, chemicals, telecommunications, and services	90 days
2	Customer B	dry process and coated separators	387.1	13.5	2017	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries	60 days
3	Customer C	dry process and coated separators	257.8	9.0	2008	Headquartered in China, a company specialising in the manufacture of EVs and batteries	60 days
4	Customer D	wet process and coated separators	233.5	8.1	2015	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials	60 days
5	Customer E	dry process and coated separators	206.0	7.2	2019	Headquartered in South Korea, a company with a diverse portfolio spanning various industries, including electronics, shipbuilding, construction, and financial services	60 days
For the Year Ended 31 December 2023							
1	Customer A	dry process, wet process and coated separators	795.2	26.7	2012	Headquartered in South Korea, a company operating in various industries, including electronics, chemicals, telecommunications, and services	90 days
2	Customer C	dry process and coated separators	367.0	12.3	2008	Headquartered in China, a company specialising in the manufacture of EVs and batteries	60 days
3	Customer F	dry process, wet process and coated separators	275.5	9.2	2018	Headquartered in China, a company specialising in the development and manufacturing of lithium-ion batteries for EVs and energy storage systems	90 days

Rank	Customer	Products Sold	Transaction Amount (RMB in millions)	Percentage of Total Revenue (%)	Business Relationship Since	Business Background	Credit Term
4	Customer G	dry process and coated separators	242.7	8.1	2010	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries	90 days
5	Customer D	wet process and coated separators	223.0	7.5	2015	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials	120 days
For the Year Ended 31 December 2024							
1	Customer A	dry process, wet process and coated separators	460.4	13.1	2012	Headquartered in South Korea, a company operating in various industries, including electronics, chemicals, telecommunications, and services	90/135 days
2	Customer C	dry process, wet process and coated separators	373.0	10.6	2008	Headquartered in China, a company specialising in the manufacture of EVs and batteries	60 days
3	Customer B	dry process, wet process and coated separators	337.3	9.6	2017	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries	90 days
4	Customer H	dry process, wet process and coated separators	311.1	8.9	2019	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials	120/180 days
5	Customer D	dry process, wet process and coated separators	304.0	8.7	2015	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials	120 days

Rank	Customer	Products Sold	Transaction Amount (RMB in millions)	Percentage of Total Revenue (%)	Business Relationship Since	Business Background	Credit Term
For the Nine Months Ended 30 September 2025							
1	Customer B	dry process, wet process and coated separators	434.9	14.8	2017	Headquartered in China, a company specialising in the research, development, production, and sales of lithium-ion batteries	90 days
2	Customer C	dry process and coated separators	386.4	13.2	2008	Headquartered in China, a company specialising in the manufacture of EVs and batteries	60 days
3	Customer A	dry process, wet process and coated separators	367.4	12.5	2012	Headquartered in	

During the Track Record Period and up to the Latest Practicable Date, we were in material compliance with the terms of agreements or purchases (as the case may be) with our major customers, and we had not experienced any circumstances leading to early termination of the agreement or any contractual disputes with or claims by our major customers that would have a material and adverse effect on our operations.

None of our Directors or their respective associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our top five customers in each period during the Track Record Period.

The following table sets forth the details of our top five suppliers for each period during the Track Record Period.

Rank	Supplier	Products Procured	Transaction Amount (RMB in millions)	Percentage of Total Purchase (%)	Business Relationship Since	Business Background	Credit Term
For the Year Ended 31 December 2022							
1	Supplier A	Thermal plastic	149.8	15.8	2013	Headquartered in South Korea, a company specialising in the production of petrochemical products	Prepayment in full
2	Supplier B	Slurry	135.3	14.3	2019	Headquartered in China, a company dedicated to acting as an import and export agent for new materials in the fine chemicals sector	30 days after receipt of products
3	Supplier C	Thermal plastic	77.8	8.2	2021	Headquarter in China, a company specialising in the research, development, production, and sales of advanced materials	90 days after the end of each month
4	Supplier D	Thermal plastic	54.9	5.8	2020	Headquartered in South Korea, a company with business operations covering petrochemicals, chemical materials, energy, and related fields	Prepayment in full
5	Supplier E	Slurry	38.8	4.1	2019	Headquartered in China a company specialising in the research, development, manufacture and sale of inorganic materials used in safety coating materials for separators	60 days after the end of each month
For the Year Ended 31 December 2023							
1	Supplier A	Thermal plastic	208.5	19.8	2013	Headquartered in South Korea, a company specialising in the production of petrochemical products	Prepayment in full
2	Supplier D	Thermal plastic	147.7	14.0	2020	Headquartered in South Korea, a company with business operations covering petrochemicals, chemical materials, energy, and related fields	Prepayment in full

Rank	Supplier	Products Procured	Transaction Amount (RMB in millions)	Percentage of Total Purchase (%)	Business Relationship Since	Business Background	Credit Term
3	Supplier F	Thermal plastic, hardware accessories	53.4	5.1	2019	Headquartered in Japan, a company specialising in the research, development and production of high-purity chemicals, functional films, and precision materials for use in semiconductors, display panels (LCD/ OLED), photovoltaics, and electronic components	Prepayment in full
4	Supplier B	Slurry	46.0	4.4	2022	Headquartered in China, a company specialising in the research, development, production, and sales of chemical products	30 days after receipt of products
5	Supplier E	Slurry	44.2	4.2	2019	Headquartered in China a company specialising in the research, development, manufacture and sale of inorganic materials used in safety coating materials for separators	60 days after the end of each month
For the Year Ended 31 December 2024							
1	Supplier D	Thermal plastic	210.6	13.0	2020	Headquartered in South Korean, a company with business operations covering petrochemicals, chemical materials, energy, and related fields	Prepayment in full
2	Supplier A	Thermal plastic	184.8	11.4	2013	Headquartered in South Korea, a company specialising in the production of petrochemical products	Prepayment in full
3	Supplier B	Slurry	141.4	8.7	2022	Headquartered in China, a company specialising in the research, development, production, and sales of chemical products	30 days after receipt of products
4	Supplier E	Slurry	117.9	7.3	2019	Headquartered in China, a company specialising in the research, development, production, and sales of advanced materials	60 days after the end of each month
5	Supplier G	Thermal plastic	60.7	3.8	2020	Headquartered in China, a company mainly engaged in the sales and service of chemical products	Prepayment in full

Rank	Supplier	Products Procured	Transaction Amount (RMB in millions)	Percentage of Total Purchase (%)	Business Relationship Since	Business Background	Credit Term
For the Nine Months Ended 30 September 2025							
1	Supplier D	Thermal plastic	207.9	16.3	2020	Headquartered in South Korea, a company with business operations covering petrochemicals, chemical materials, energy, and related fields	Prepayment in full
2	Supplier A	Thermal plastic	148.5	11.6	2013	Headquartered in South Korea, a company specialising in the production of petrochemical products	Prepayment in full
3	Supplier B	Slurry	145.8	11.4	2022	Headquartered in China, a company specialising in the research, development, production, and sales of chemical products	30 days after receipt of products
4	Supplier E	Slurry	79.5	6.2	2019	Headquartered in China, a company specialising in the research, development, manufacture and sale of inorganic materials used in safety coating materials for separators	60 days after the end of each month
5	Supplier H	Packaging materials	65.7	5.2	2024	Headquartered in China, a company specialising in the research and development, production and sales of paper products	60 days after receipt of products

During the Track Record Period, we purchased raw materials from the United States, primarily including infrastructure materials and manufacturing equipment. In 2022, 2023, 2024 and the nine months ended September 30, 2025, the amount of raw materials and manufacturing equipment purchased from the United States are nil, nil, RMB11.8 million and RMB43.8 million. The amount of raw materials and manufacturing equipment purchased from the United States increased from RMB11.8 million in 2024 to RMB43.8 million in the nine months ended September 30, 2025 due to the construction of our U.S. manufacturing base. We have a wide range of alternative domestic sources of raw materials available as there are plenty of manufacturers of the above infrastructure materials and manufacturing equipment in China and other countries all over the world.

To the best knowledge of our Directors, none of our Directors or their respective associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our top five suppliers in each period during the Track Record Period.

Procurement Agreement

Generally, we enter into procurement agreements with suppliers and place purchase orders based on actual production needs. The key terms in our procurement agreements typically include:

- Duration. The term of our agreement is typically three years.
- Material. We shall list out the type, specifications, date of delivery and quantity of required materials in each purchase order.
- Price. Depending on the type of materials and suppliers involved, prices can either follow the procurement agreement or be adjusted according to the then-prevailing market price.
- Warranty. Our suppliers typically provide us with a warranty period between six to twelve months.
- Inspection and returns. Product inspection shall be carried out upon delivery. We have the right to return defective materials that fail to meet agreed quality standards, and the supplier shall provide remedies, including returns and/or exchanges.
- Credit terms and payment. Credit terms and payment methods shall be outlined in the purchase orders. We are generally granted certain credit terms, which is normally within 90 days.
- Confidentiality and anti-corruption. We typically include confidentiality provisions in our agreements, with confidentiality obligations potentially extending beyond agreement expiration.
- Termination. The agreements will be terminated upon expiration. We are also entitled to terminate the agreement if the supplier fails to observe their obligations in the agreement.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any breach of agreements by suppliers that resulted in suspension or interruption that would cause a material and adverse effect to our production operations. During the Track Record Period, we did not experience any significant shortage of raw material supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

During the Track Record Period and up to the Latest Practicable Date, we complied with the terms of the agreements with our major suppliers in all material aspects, and we had not experienced any circumstances leading to early termination of the agreement or any contractual disputes with or claims by our major suppliers that would have a material and adverse effect on our operations.

Due to factors such as fluctuations in material prices, changes in market supply and demand dynamics, and technological advancements, our procurement prices and quantities may vary. For details, see "Risk Factors — Risks Relating to Our Business and Industry — Price fluctuations and inadequate supply of raw materials, energy, transportation and other necessary supplies or services may impact our business, financial condition and results of operations"

Supply Chain Management

To minimise any potential interruptions to our operations due to supply of main raw materials, we analyse market supply and demand based on actual orders and historical data. We then conduct forward planning before negotiating with suppliers and place purchase orders. Meanwhile, we usually keep a reasonable level of inventory of main raw and auxiliary materials each year. In addition, we have developed a supplier selection and evaluation procedure and maintain a list of qualified suppliers each year to ensure that the supply of main raw and auxiliary materials will not be affected by any unforeseeable circumstances. See "— Quality Management — Raw Materials."

To mitigate risks related to raw material price fluctuations, we have established a monitoring system to promptly monitor price changes of key raw materials. We ensure material supply and optimise procurement costs through strategies such as advance procurement. Additionally, we maintain supply chain safety and stability through partnerships and long-term agreements with our suppliers.

Manufacturing Equipment

We use manufacturing equipment that is highly compatible with our proprietary production techniques. According to Frost & Sullivan, we are one of the few companies with independent equipment research and design capabilities. The self-designed manufacturing equipment enables us to produce differentiated separators and ensures our product quality as well as production efficiency. See "— Our Core Technologies — Manufacturing Equipment Designed In-House". We engage international manufacturers for the production of manufacturing equipment based on our technology design. We provide the manufacturing process parameters, manufacturing process requirements and project timetable to the manufacturers, and we specify to the manufacturers our quality and technical standards as well as acceptance standards to ensure that the equipment meets our production requirements.

MANUFACTURING

Manufacturing Processes

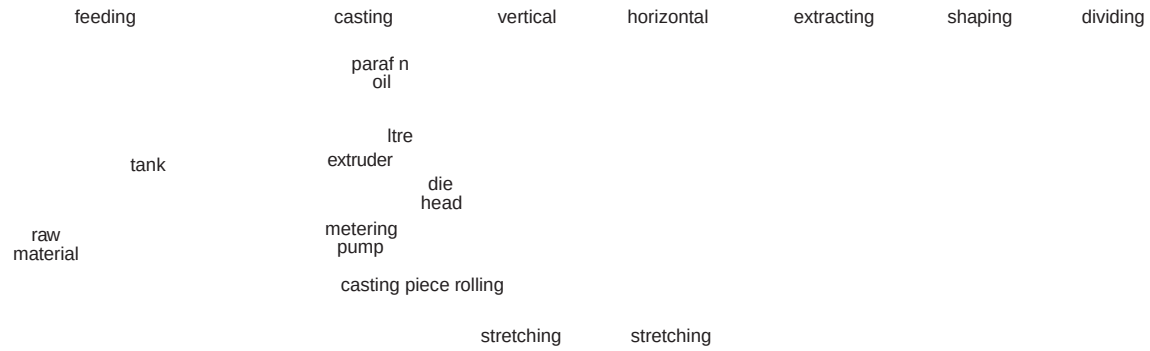
The manufacturing processes of lithium-ion battery separators are mainly categorised by three different manufacturing techniques: the dry process, the wet process and the coating process, whereas coating refers to an additional process applied in base film separators produced from both dry and wet processes. We adopt a "make-to-order" strategy to process customer orders and have developed an ISO production process management control system. After an order is placed by a customer, we will develop a

production plan with customised raw material formulas, arrange for procurement of raw materials based on the plan, produce separators with suitable processes, conduct comprehensive product quality checks and deliver our products to customers. This allows us to manage our production cost and improve our operating efficiency.

Dry Process

The dry process is a solvent-free, physical pore formation technology. We start by melting the thermal plastics such as PP or PE. The melted polymer is then extruded into a thin sheet of crystalline polymer membrane and subjected to rapid drawdown. The crystalline polymer membrane is then annealed at a temperature below its melting point to reach a state of high crystallinity. We subseq

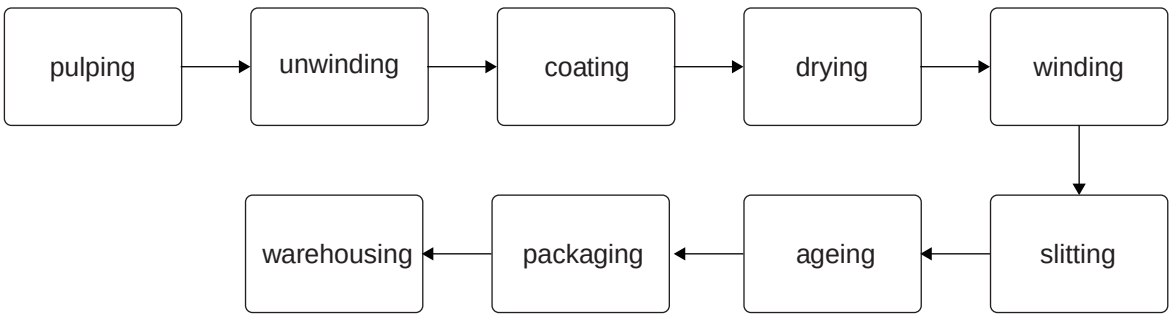
The diagram below illustrates the workflow of the wet process.



Coating Process

Coating process is an additional manufacturing process for both dry and wet process separators. By applying slurry such as ceramic alumina and PVDF adhesive to one or both outer surfaces of the base film, the coating can significantly enhance the thermal stability, puncture strength and safety of the base film. Separators with these enhanced properties will improve the performance and safety of the lithium-ion batteries.

The diagram below illustrates theworkflow of the coating process.



Manufacturing Facilities

We have established a network of manufacturing facilities in different parts of China to provide our target customers with comprehensive services using localised supply and supporting facilities. During the Track Record Period, we did not outsource any manufacturing process to third parties.

Our continued expansion of production capacity during the Track Record Period is a strategic response to rising customer demand and intense market competition, as demonstrated by similar capacity increases among our competitors in recent years, according to Frost & Sullivan. Localised production enhances our relationships with major battery manufacturers by enabling prompt and cost-effective service, while also allowing us to adapt quickly to changes in demand in both domestic and overseas markets. We believe that our advanced, innovation-driven facilities and optimised capacity empower us to achieve economies of scale and control production costs effectively.

The table below sets forth details of our manufacturing bases as at 30 September 2025:

No.	Manufacturing base	Location	Year of commencing production	Area (m^2)	Production capacity (m^2 in million)	Primary products
1	Shenzhen manufacturing base	Shenzhen, Guangdong	2006	160,000	215.6	dry process separators, wet process separators and coated separators
2	Changzhou manufacturing base	Changzhou, Jiangsu	2018	150,000	673.5	wet process separators
3	Jiangsu manufacturing base	Changzhou, Jiangsu	2019	130,000	921.1	dry process separators and coated separators
4	Hefei manufacturing base	Hefei, Anhui	2017	75,000	321.5	wet process separators and coated separators
5	Nantong manufacturing base	Nantong, Jiangsu	2023	560,000	1,776.2	dry process separators, wet process separators and coated separators
6	Foshan manufacturing base	Foshan, Guangdong	2025	225,000	203.3	wet process separators and coated separators

We conduct careful and timely maintenance of our production facilities and equipment. Each piece of our major production equipment or machinery undergoes regular inspection and maintenance according to the relevant protocols. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspensions of operations due to equipment, machinery or other mechanical failures.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any work safety accidents and were not subject to any administrative penalties that would have a material adverse effect on our business operations or financial condition.

Planned Manufacturing Facilities

We believe that our reasonable expansion plans will benefit our business by meeting the increased customer demand and expanding our market share. See "Future Plans and Use of [REDACTED] — Use of [REDACTED]."

We plan to build new manufacturing facilities to expand our production capacity and satisfy the growing demand of our customer worldwide. When planning the overall capital expenditures on manufacturing facilities and allocating resource for manufacturing, we take into account factors such as anticipated market demand, locations of our key customers and the cost of raw materials and labours.

The table below sets forth the details of the manufacturing facilities that are under construction as at 30 September 2025:

No.	Manufacturing Base Facility (Location)	Total Construction Area (m^2)	Status	Estimated Annual Production Capacity	Estimated Commencement Time of Mass Production	Key Functions
1.	U.S. manufacturing base in North Carolina	48,000	Under construction	580.0 million square metres	End of 2026	Production of coated separators
2.	Malaysia manufacturing base in Penang	267,000	Under construction	2.0 billion square metres	First Half of 2027	Production of wet process separators and coated separators
3.	Sweden manufacturing base in Eskilstuna	200,000	Under construction	300.0 million square metres	End of 2026	Production of wet process separators and coated separators

During the Track Record Period, our continuous expansion of production capacity in China has been driven primarily by various factors. First, each of our production facilities in China has reached a relatively high level of utilisation, with annual utilisation rates consistently exceeding 80% during the Track Record Period, one of the highest among battery separator manufacturers, according to Forest and Sullivan. Secondly, we have witnessed sustained growth in demand from our customers, necessitating the construction of new manufacturing bases in China. Lastly, when deciding on the location of our domestic manufacturing bases, we prioritise factors such as raw material and product transportation costs, construction expenses, customer proximity, and local policy support. As a result, our manufacturing bases are concentrated mainly in the Eastern and Southern China.

As advised by our PRC Legal Advisors, based on the credits reports and compliance confirmation letters issued by relevant government departments and the PRC legal advisor's inquiries on the websites of the competent departments in the public domain, during the Track Record Period, we have materially complied with the rules and regulations in relation to the commencement of operations of production lines after all their applicable requisite requirements have been met within the time limit stipulated.

As advised by our U.S. and Swedish Legal Counsels, there are currently no regulatory restrictions on our organic growth or on conducting our own research and development activities in either the United States or Sweden.

Production Volume

During the Track Record Period, we have continually expanded our production capacity to meet the growth in demand for our products, following our expansion strategy and international market demand forecasts. We determine our production capacity plans and identify capacity shortfalls based on product delivery plans derived from market demand analysis in the regions we operate in.

The table below sets forth the designed production capacity, actual production volume and utilisation rate of our lithium-ion battery separator production lines in 2022, 2023, 2024 and the nine months ended 30 September 2025.

	As at and for the year ended 31 December			As at and for the nine months ended 30 September
	2022	2023	2024	2025
Designed Production Capacity (m^2 in millions)[(1)]	2,057.4	2,923.5	4,475.8	4,111.0
Actual Production Volume (m^2 in millions)	1,727.3	2,589.3	4,045.9	3,430.3
Utilisation rate (%)[(2)]	84	89	90	83.4

Notes:

(1) Production capacity is calculated based on the actual operating days of each production line in each year/period during the Track Record Period, operating at eight hours per day.

(2) Utilisation rate is calculated by dividing the production volume of a given year/period by the production capacity of the same year/period.

During the Track Record Period, we did not experience any material disruptions in production lines and any work-related accidents.

Equipment and Machinery

Our manufacturing equipment and machinery are essential for enhancing product quality and cost competitiveness. The main equipment and machinery used in our manufacturing bases are self-owned. The table below set forth certain information about our main production equipment:

Machine Name	Key Features	Usage
Casting Machine –1250/1500/2150	. High single-machine output efficiency . With five self-developed patents	. Used for plasticising raw materials through extrusion . Melts the raw materials, extrudes them through the die head, and casts them as sheets onto steadily rotating rollers to form cast film rolls
Integrated Thermal Treatment and Stretching Machine	. Improves production efficiency, achieves uniform thermal treatment effects . With three self-developed patents	. Stretches the composite base film at low temperatures to form micro-defects after heat-treating the composite base film . Performs high-temperature stretching to expand the micro-defects, forming a porous separator
High-Speed Slitting Machine	. High efficiency of 200 metres per minutes . With five self-developed patents	. Cuts large, wide separators into specified sizes for shipment under room temperature
Wet Process Extraction Tank	. High efficiency . With two self-developed patents	. Uses volatile organic solvents that are compatible with pore-forming agents as extractants to remove these agents from the oil film, followed by heating and drying to obtain an extracted separator
White Oil Recycling System	. Environmentally friendly . Facilitates resource reuse . With two self-developed patents	. Treats mixed liquids generated during production for reuse
Exhaust Gas Recovery System	. Environmentally friendly . With three self-developed patents	. Ensures gases generated during system operations meet the relevant emission standards
Double-Sided Coating Line	. High efficiency . Enhances performance . With four self-developed patents	. Coats the surface of the base film to improve product performance

Machine Name	Key Features	Usage
Oil Coating Line	. Enhances product performance . With three self-developed patents	. Applies functional coatings to enhance product performance
Edge Collection Machine	. High stability . With two self-developed patents	. Collects edge waste generated during production for winding and disposal

QUALITY MANAGEMENT

We adopted a stringent production control system to maintain the effectiveness of our business operation and the quality of our products. We have established a comprehensive quality management system, which had obtained ISO 9001 quality management system certification, and implemented MES system to monitor product process quality. Our Directors believe that an effective control system is essential for us to produce products in high quality and sustain our relationship with customers for the long-term.

As at 30 September 2025, our Group had 896 quality control staff, who are responsible for quality control in various aspects, including incoming raw materials quality control, SMT control, overall quality control, assembly process, finished products. Our quality control department is responsible for identifying quality control issues and providing solutions to address such issues.

Product quality is vital to our business, since any potential quality defect may cause significant risks to customers who apply our products to their lithium-ion batteries. The consistency in our product quality and our ability to satisfy customised needs are the driving force to the rapid growth of our business. We have implemented a comprehensive and stringent quality management system to ensure that we comply with applicable industry and national standards and regulations. We maintains product liabilities insurance in relation to product quality issues. See "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to risks associated with our product quality". During the Track Record Period, we have not received any material complaints relating to product quality, and we had not experienced any material accidents due to product defects or recalled any products.

WAREHOUSING AND LOGISTICS

Our warehouse management personnel maintain policies in relation to warehouse management. We separate our warehouse into three segments: the finished product warehouse, work-in-progress warehouse and the raw and auxiliary materials warehouse, each equipped with the required lighting, ventilation, temperature and humidity level. We store raw materials, work-in-progress and finished products separately according to their properties and usages to prevent mix-up of materials and products and ensure their safety and quality.

We engage qualified third-party logistics service providers for the delivery of all

- Scope of services.Employment agents shall provide qualified outsourced personnel according to our schedule, ensure medical clearance with genuine reports, handle training and assessments, deploy personnel to our designated location, manage all matters related to the outsourced staff during their assignment and provide other reasonable services in relation to the labour dispatch.

- Pricing. We apply different hourly-based salary rates for dispatched personnel depending on their specific roles.

- Duration. The typical contract duration ranges from one to three years.

- Recruitment standards.Employment agents must not use improper means to recruit labour dispatch personnel.

- Termination. Either party may terminate the agreement in advance under the specific circumstances, such as natural disasters, stipulated in the contract with the notice period upon negotiation.

Our PRC Legal Advisor is of the view that the terms above in the labour dispatch arrangement does not violate prohibitive provisions on labour dispatch of the PRC.

We have implemented internal policies and monitoring procedures to ensure ongoing compliance with applicable labour dispatch laws and regulations, including requirements on the maximum permissible proportion of dispatch workers relative to total employees. Our human resources department conducts regular reviews of workforce composition and reports to management to confirm that the number of dispatch workers remains within the statutory limits.

We have not had any material labour disputes with our employees which might materially and adversely affect our business operations during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Headquartered in Shenzhen, China, we own and lease properties in the PRC and overseas for the use of production facilities, warehouses and offices. As at the Latest Practicable Date, none of the properties held or by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As at 30 September 2025, we owned the land use rights of 18 parcels of land in China and overseas, with a GFA of approximately 1.4 million square metres in aggregate. We use these properties as premises for production, warehousing, offices, R&D and other ancillary purposes. As at the Latest Practicable Date, our rights to use such construction land were lawful and valid, and there were no disputes or potential disputes over the ownership of such land.

As at 30 September 2025, our Company and the major subsidiaries in China owned the land use right of 16 parcels of land in China, with a GFA of approximately 0.7 million square metres in aggregate. The properties are primarily used for production, warehousing, R&D and office purposes. Three parcels of lands with a GFA of approximately 390.0 square metres have not obtained property ownership certificate, as they were built due to our actual needs, which were out of the original construction planning scope. The properties are used as garbage rooms and warehouses, which are highly replaceable. We are currently going through the corresponding procedures to obtain the property certificate.

Our PRC Legal Advisor is of view that the above circumstances are not expected to have any material adverse impact on our business and results of operation based on (1) the total floor area of these buildings amounts to approximately 390.0 square metres, which is a relatively low proportion; (2) the specific uses of these buildings include waste disposal rooms and warehouses, which are highly replaceable; and (3) the Credit Report of Nantong Xingyuan and Hefei Xingyuan, which indicates no record of violations in the fields of natural resources, housing, or urban and rural construction.

As at 30 September 2025, we owned one property with approximately 267,215 square metres in aggregate in Malaysia and one property with approximately 170,000 square metres in Sweden. We use our property in Malaysia and Sweden as production facilities, warehousing and offices. The above-mentioned properties are legal and valid, and there are no disputes or potential disputes over our ownership. We are still in the process of obtaining the land ownership certificates for our Sweden and Malaysia manufacturing bases. Our Malaysian and Swedish Legal Advisors are of the view that there are currently no legal impediments, nor are any anticipated in the future, that would prevent us from obtaining the relevant land ownership certificates.

Leased Property

As of Latest Practical Date, our Company and the major subsidiaries leased three properties in the China for warehousing and production purpose, with a GFA of approximately 147,802 square metres in aggregate, of which all applicable properties have been registered with the local housing authority registry. As at 30 September 2025, our company and major subsidiaries leased three property overseas in the United States, Sweden and Singapore, with a GFA of approximately 86,413 square metres in aggregate. Specifically, we lease properties in the United States and Sweden for production purpose, with approximately 49,723 square metres and 36,423 square metres separately. Our properties in Singapore were used as offices, with approximately 277 square metres in aggregate. The leases overseas generally have a term ranging from two to twelve years.

INTELLECTUAL PROPERTY

We rely on our proprietary technologies and production know-hows to maintain our competitive position in the markets in which we operate, and we generate intellectual properties through our extensive R&D activities. We seek to protect our intellectual properties and proprietary rights primarily through intellectual property laws, relying on a combination of patents, trademarks, trade secret and other forms of intellectual property protection in China and other countries.

As at 30 September 2025, we have applied for a total of 985 patents, including 287 overseas patents. We have obtained 478 valid patents, including 201 authorised invention patents (including 90 overseas invention patents) and 277 authorised utility model patents. As at 30 September 2025, we have held a total of 36 valid trademarks. Since 30 September 2025 up to the date of this Document, there has not been material change in our intellectual property rights.

Our general patent policy is to apply for patents on an ongoing basis in China and other relevant jurisdictions, on patentable developments that are considered to have commercial significance. Our portfolio of patents covers our proprietary technologies used in raw material formulations, manufacturing processes and manufacturing equipment.

We place great emphasis on the protection of intellectual property rights. We have a robust intellectual property management system, which ensures the technological advantages of our products. We strictly follow GB/T29490–2013 "Intellectual Property Management Specification" to monitor and protect our intellectual property rights and ensure the operation of our intellectual property management system.

We have established an intellectual property management office in charge of the overall management of intellectual property rights, with other teams cooperating with the intellectual property office to manage intellectual property-related matters. In addition, we have appointed designated personnel to supervise intellectual property management, review intellectual property management manuals and procedural documents. Our Chairman approves the intellectual property policies formulated by the intellectual property management office, which subsequently reviews the suitability of our intellectual property policies on a regular basis. The intellectual property management office regularly trains our staff on the importance of intellectual property and the laws and regulations relating to intellectual property. In addition, we require our R&D employees to enter into confidentiality agreements, which prohibit them from disclosing our proprietary information or technology and from taking relevant positions at competing companies after terminating their employment with us. Furthermore, we have adopted an encryption system in our manufacturing processes which prevents unauthorised leakage and plagiarism of our intellectual property.

LICENCES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all licences, approvals, permits and certificates that are material and necessary for our business operations in jurisdictions where we operate, and such licences, permits, approvals and certificates are valid and subsisting.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulty in obtaining or applying for renewal of all necessary licences, permits and approvals that would have a material and adverse effect on our operations. We do not expect any impediment in renewing our material licences, permits and approvals as they expire in the future that would have a material and adverse effect on our operations.

The table below sets forth details of our material licences and permits:

No.	Entity	Name of the licence, approval or permit	Expiry date
1	Our Company	Pollution Discharge Permit	30 August 2028
2	Our Company	Record registration form of foreign trade dealers	N/A
3	Our Company	Registration Certificate of Customs Declaration Unit	N/A
4	Our Company	Self-Care Inspection Enterprise Record Registration Certificate	N/A
5	Hefei Senior	Pollution Discharge Permit	2 August 2028
6	Hefei Senior	Record registration form of foreign trade dealers	N/A
7	Hefei Senior	Registration Certificate of Customs Declaration Unit	N/A
8	Hefei Senior	Record Form of Entry and Exit Inspection And Quarantine Application Enterprise	N/A
9	Changzhou Senior	Fixed Pollution Discharge Registration Receipt	17 October 2028
10	Changzhou Senior	Record registration form of foreign trade dealers	N/A
11	Changzhou Senior	Receipt of Customs Record of Consignee or Consignor of Import and Export Goods	N/A
12	Jiangsu Senior	Fixed Pollution Discharge Registration Receipt	11 January 2027
13	Jiangsu Senior	Record registration form of foreign trade dealers	N/A
14	Jiangsu Senior	Receipt of Customs Record of Consignee or Consignor of Import and Export Goods	N/A

No.	Entity	Name of the licence, approval or permit	Expiry date
15	Nantong Senior	Record registration form of foreign trade dealers	N/A
16	Nantong Senior	Receipt of Customs Record of Consignee or Consignor of Import and Export Goods	N/A
17	Foshan Senior	Customs Registration Certificate	N/A
18	Foshan Senior	Pollution Discharge Permit	14 November 2029

AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions for our brand, business operations, products, intellectual properties and corporate responsibility achievements.

Year	Awards/certifications	Awarding body
	Clean Benchmark Technology Award ( )	Advanced Battery Materials Industry Cluster ( )
	Certificate of Scientific and Technological Achievement Evaluation: International Advanced Level ( )	Guangdong Materials Research Society ( )
	Certificate of Scientific and Technological Achievement Evaluation: International Leading Level ( )	Sichuan Institute of Scientific and Technological Information ( )
	2022 Outstanding Brand in Lithium Battery Materials Technology (2022)	OFweek ( )
2022	2022 Influential China's Battery Industry (2022)	China battery network ( )
	China Plastic Group Standard Pioneer Award ( )	China Plastic Processing Industry Association ( )
	National Intellectual Property Demonstration Enterprise ( )	State Intellectual Property Office ( )
	Top 50 Projects of Strategic Emerging Industrial Clusters in the Guangdong-Hong Kong-Macao Greater Bay Area High-Value Patent Cultivation Layout Competition in 2022 (2022)	Executive Committee of the Guangdong-Hong Kong-Macao Greater Bay Area High Value Professional Cultivation Layout Competition ( )

COMPETITION

Promoted by favourable regulatory policies and rapid development in downstream application scenarios, the global battery separator market has achieved a remarkable growth in total shipment volume in recent years. According to Frost & Sullivan, the market

size of global battery separator industry by shipment volume increased from 6.4 billion m^2 in 2020 to 27.7 billion m^2 in 2024 at a CAGR of 44.5%. In 2024, China had the largest shipment volume of battery separator in the world, accounting for around 84.0% of the market in major countries. As global demands increase, in the future, the share of battery separator shipments outside China is expected to rise significantly from 16.0% in 2024 to 34.1% in 2029, reflecting a CAGR of 45.3%.

We operate in concentrated markets and are subject to competition from separator manufacturers around the world. According to Frost & Sullivan, the total shipment volume of global battery separator industry reached approximately 27.7 billion m^2 in 2024, with the top five market players accounted for approximately 65.1% of the total shipment volume of global battery separator market. In 2024, our Group ranked second in the global battery separator market and accounted for 14.4% of the market share. In China, the total shipment volume of battery separators reached approximately 23.3 billion m^2 in 2024, according to Frost & Sullivan, with the top five market players accounted for approximately 77.5% of the total shipment volume of China battery separator market. In 2024, our Group accounted for a market share of approximately 17.1%, and ranked second in the China battery separator market. For more information on the competitive landscape of our industry, see "Industry Overview" for details.

With the introduction of new technologies and entry of new market participants, we expect competition to continue to intensify in the future. However, leveraging our strong R&D capabilities, industry-leading production capacities, core technology advantages, global strategic layout, proven go-to-market strategies, established and extensive customer and supplier relationships, we believe we are positioned favourably in market competition.

Measures and Business Strategies to Address Overcapacity and Competition

To mitigate the impact of overcapacity and intense competition in the market, the Group has adopted a comprehensive business strategy comprising the following core measures:

. Diversification and expansion of customer base overseas

We are systematically expanding our global presence by establishing overseas manufacturing bases, including manufacturing bases in the United States, Sweden, and Malaysia. This approach not only enables us to serve international customers more efficiently by localising production but also reduces dependence on any single market, thereby dispersing risk across diverse geographic areas. Through actively cultivating long-term relationships with both leading global and local customers, and providing tailored, region-specific solutions, we seeks to address fluctuating domestic demand and alleviate the effects of overcapacity in its original markets.

. Continued investment in research and development (R&D) and innovation

We have made significant and ongoing investments in R&D with the aim of driving technological advancement and product differentiation. By developing new proprietary technologies, enhancing product quality, and introducing advanced

features that meet evolving customer needs, we are able to maintain a competitive edge even under market saturation. Innovation allows us to move up the value chain, targeting premium segments, and offering customised solutions that command higher margins. This strategic focus on innovation also helps us to respond proactively to emerging market trends and regulatory changes.

Product Differentiation and Competitive Positioning

The Group's products are differentiated from those of its peers in several key respects:

. Technological innovation: we leverage in-house R&D capabilities to launch innovative products, such as fifth generation wet process separators and other forward-looking products, which are designed to provide superior performance, safety, and efficiency.

. Customisation and service: we offer tailored product solutions and technical support to meet specific client requirements across different regions, helping to build close, long-term customer relationships.

. Global production network: With future manufacturing bases spanning Asia, North America, and Europe, we can deliver timely, cost-effective products to local markets, which enhances customer satisfaction and loyalty.

Strategies for Future Competition

Looking ahead, we intend to strengthen our position by further investing in overseas markets and continuously upgrading its product portfolio. We plan to:

. Accelerate the establishment and ramp-up of overseas manufacturing bases to access new markets and reduce logistics costs. By manufacturing lithium-ion separator products closer to end-users, we can significantly reduce transportation time and costs, minimise supply chain risks, and improve responsiveness to market changes. This approach also supports our ability to capture growth opportunities in emerging markets and enhance its competitive positioning on a global scale.

. Broaden and deepen collaborations with strategic customers globally. we plan to engage proactively with both existing and potential customers worldwide. This includes forming long-term cooperation agreements, co-developing customised products to fit customised requirements, and providing dedicated technical support. Through regular communication and partnership-building with leading players in the transportation vehicles, energy storage facilities, consumer electronics and industrial mac1(wor)588.rl8(nd)-4.skr.ugmpr

mechanism, expending the R&D team with specialists that possess cross-disciplinary expertise, and enhancing collaborations between industry, academia and research institutions.

. Pursue operational excellence and efficiency to ensure cost competitiveness. We will focus on optimising our manufacturing processes, adopting lean production practices, and leveraging automation and digital technologies. This will help to improve output quality, streamline supply chains, and lower production and operational expenses. Regular review and enhancement of operational protocols will be integral to minimising inefficiencies and maximising resource utilisation.

Measures to Stabilise Gross Profit Margin

Our gross profit margin amounted to 44.8%, 43.3%, 28.1%, 30.0% and 21.3% in 2022, 2023, 2024 and the nine months ended 30 September 2024 and 2025. To stabilise our gross profit margin, we intend to take the following measures:

. Gradually increase product prices

We plan to adjust the selling prices of our products, taking into account relevant market conditions, customer demand and our competitors' pricing strategies. We intend to optimise our pricing mechanism by actively adjusting prices of our battery separator products, while maintaining long-term and stable relationships with our major customers by improving our product quality.

. Optimise our product mix

We intend to optimise our product portfolio by gradually increasing the proportion of coated separator products which have relatively higher gross profit margins. Our coated separator products generally have higher gross profit margins than other separator products. See "Financial information — Description of Principal Consolidated Statements of Comprehensive Income Items — Gross Profit and Gross Profit Margin. "

. Proactively expand our overseas markets

We plan to proactively expand our overseas markets, where the selling prices of our products are generally more favourable than in the domestic market. We intend to broaden our overseas customer base, increase direct sales to overseas customers and strengthen our cooperation with leading international battery manufacturers.

INSURANCE

We have in place the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. We maintain property risks insurance to protect the loss of fixed assets such as machinery, equipment and inventory due to events such as theft and natural disasters. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance,

work-related injury insurance, medical insurance and housing provident funds. During the Track Record Period and up to the Latest Practicable Date, we did not file any material insurance claims in relation to our business. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses, which may increase our costs of operation."

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are currently, and may from time to time in the future, be subject to various legal or administrative claims proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Risk Factors — Risks Relating to Our Business and Industry — We may be involved in claims, disputes and legal proceedings in our ordinary course of business."

During September 2019 to November 2023, our Company and certain of our subsidiaries were sued against in the US and the UK by a competitor for alleged infringement, illegal acquisition of trade secrets and unfair competition. The competitor alleged that we (1) infringed certain of its patents and misappropriated its trade secrets related to battery separator manufacturing technologies; and (2) used the misappropriated trade secrets and the infringed patents to unfairly compete and gain market share from the competitor. The competitor requested the US and UK courts to grant injunction against our Group from selling related products in their respective markets and to determine appropriate compensation based on the judgement. During this period, we believed that the allegations did not have merits, and sought dismissal of the competitor's claims and pursue counterclaims. The Group has also filed charges of infringement and unfair competition against this and other competitors in the Chinese courts.

In order to avoid lengthy legal proceedings occupying the resources of our Group, a settlement agreement was reached with the competitor, according to which we would pay the competitor approximately US$15 million. In November 2023, the parties entered into an agreement that settled the then-pending litigations and entered into a cross-licence in respect of each party's patents that apply to battery separators or battery diaphragms and that had already been published or granted by the date of the settlement, and any later granted or published family members that apply to battery separators or battery diaphragms of these particular patent families, all pursuant to the terms of the settlement agreement. We believe the cross-licence would be beneficial to both parties as it facilitates the resolution of all claims and eliminates risks of future infringement disputes over these patents between the parties. The US, UK and PRC courts have subsequently dismissed all claims with prejudice.

In addition, in 2022, we initiated a patent infringement litigation against certain PRC companies at the Shenzhen Intermediate People's Court (the "Shenzhen Court"), claiming RMB50.5 million in damages, alleging that the lithium-ion battery separator products manufactured by the defendants infringed our patent. In February 2023, the Shenzhen Court dismissed our claims.

In 2023, we discovered that a patent applied for by our competitor after one of our former employees joined them was highly related to trade secrets the employee had accessed to and mastered during his employment with us. Thereafter, we initiated a trade secret infringement case against the competitor as well as our former employee at the Shenzhen Court, claiming RMB50.5 million in damages. Following the Shenzhen Court's investigation and mediation, we applied to withdraw the claim in November 2023, which the Court approved, as (i) the litigations were initiated by us to proactively protect our intellectual property rights, and (ii) the claim amount relative to our business scale was small, the outcomes did not adversely affect our business, financial conditions and results of operations.

As at the date of this Document, we are of the view that the lawsuits disclosed herein will not have any material adverse impact on our overall business, financial condition and results of operations in the future. During the Track Record Period and up to the Latest Practicable Date, there were no other legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, (1) the Group did not infringe upon the intellectual property rights of any of its competitors, and (2) there were no other IP disputes that could have a material adverse effect on our business, financial condition and results of operations. As confirmed by our PRC, Swedish, U.S. and Malaysian legal advisors, there were no other outstanding IP disputes that could have a material adverse effect on our business, financial condition and results of operations. As confirmed by our PRC legal advisor, based on inquiries on the websites of the PRC litigation authorities in the public domain, as of the Latest Practical Date, there were no pending IP disputes in PRC that could have a material adverse effect on our business. Based on the independent due diligence conducted by the Sole Sponsor, including, without limitation, discussion with the Directors and senior management of the Group, review of the legal opinions issued by the Company's PRC, Swedish, U.S. and Malaysian legal advisors, and such other due diligence as the Sole Sponsor considered appropriate, the Sole Sponsor is of the view that the Directors' confirmation set out in paragraphs (1) and (2) above are reasonable and supported by the information obtained in the due-diligence process.

Transfer Pricing

We carry out intra-Group transactions among our subsidiaries and manufacturing bases in the PRC and overseas, primarily comprising the following: (1) sales of final products and semi-finished products between our manufacturing bases; (2) sales of raw materials between our manufacturing bases, as well as from Singapore Senior and INV

Corporation Pte. Ltd. to our manufacturing bases; (3) sales of equipment from Singapore Senior and INV Corporation Pte. Ltd. to our manufacturing bases; (4) sales of photovoltaic green energy from Senior Clean Energy (Nantong) Co. ( ), Ltd. and Senior Clean Energy (Changzhou) Co., Ltd. ( ) to Nantong Senior, Changzhou Senior and Jiangsu Senior and (5) capital transfer from Singapore Senior, INV Corporation Pte. Ltd., Shenzhen Senior, Senior Material Factory Holding AB and Senior Material Ultimate Holding (Europe) AB to INV New Material Technology (M) Sdn. Bhd., INV Corporation Pte. Ltd., Singapore Senior, Shenzhen Senior, Senior Material (Europe) AB and Senior Material Properties AB. We have engaged transfer pricing advisors to perform transfer pricing review on our cross-border intra-Group transactions during the Track Record Period to conduct benchmarking studies on the intra-Group transactions and ensure compliance with the relevant transfer pricing regulations and guidelines. The transfer pricing advisor is of the view, and our Directors concur, that the Group's relevant transactions were largely consistent and in compliance with the relevant transfer pricing regulations and the Organisation for Economic Cooperation and Development Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations during the Track Record Period in material aspects. Our Directors also confirm that, during the Track Record Period, neither the Company nor any of its subsidiaries were involved in any investigations or litigations relating to the transfer pricing issues in respect of any of the intra-Group transactions.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that would have a material adverse effect on our business, financial condition and results of operations. Our Directors and Legal Advisors are of the view that we have materially complied with the applicable laws and regulations in the jurisdictions in which we operate. The non-compliance incidents identified below, as well as the non-compliance identified in "— Properties" section, have not had, and are not expected to have any material adverse effect on our business, financial condition and results of operations. To the best knowledge of our Directors, the identified non-compliance matters have not had, and are not expected to have, any material adverse impact on our business, financial condition and results of operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we had not made social insurance and housing

that the amount of shortfall and penalties was immaterial and will not have a material adverse impact on our operation or financial performance. We do not intend to engage the third-party human resources agencies after [REDACTED].

As advised by our PRC Legal Advisor, on the basis that (i) the applicable laws and regulations and the execution and supervision requirements of local government do not materially change, and (ii) we do not receive any complaints from our employees, the likelihood that we will be subject to a material administrative penalty by the relevant competent social insurance authorities and be required to pay the outstanding amount is remote. See "Risk Factors — Risk Relating to Our Business and Industry — We may be subject to penalties under relevant PRC laws and regulations due to failure to be in full compliance with social insurance and housing provident fund regulations".

On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labour Dispute Cases ( ) (the "Interpretation"), which takes effect from September 1, 2025. Pursuant to the Interpretation, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Furthermore, the Interpretation specifies that if the employee terminates the labour contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the courts shall uphold the claim. New regulations or new interpretations of existing regulations may impose additional obligations on us, or otherwise increase our compliance costs and expose us to potential penalties and fines.

As of the Latest Practicable Date, the shortfall in contributions of social insurance fund and housing provident fund has not been provided for or rectified. We undertake to rectify, pay or make up any shortfall in social insurance contributions and/or house provident fund contributions within a specified period upon the requests of competent authorities in the future. We have taken the following internal control measures to prevent future occurrences of such non-compliance:

- Human Resource Management Policies. Enhance our human resources management policies, which explicitly require social insurance and housing provident fund contributions to be made in full in accordance with applicable local requirements;

- Training. Strengthen the training of our personnel, including training on various compliance-related topics for our employees;

- Increasing awareness of developments in the law. Regularly keep abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds;

- Internal control measures. Establish an internal control team to monitor our ongoing compliance with the social insurance and housing provident fund contributions regulations and oversee the implementation of any necessary measures; and

- Consultation Consult our PRC Legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident fund.

Legal Compliance of Nantong Manufacturing Base

During the Track Record Period, the environmental protection acceptance and the safety acceptance procedures for our Nantong manufacturing base (Phase II) were not completed prior to the commencement of production for our pre-production testing and adjustment. For relevant risks, see "Risk Factors — Risks Relating to our Business and Industry — Failure to comply with environmental, fire control, and health and safety laws and regulations may subject us to fines or penalties or incur costs that could materially and adversely affect the success of our business". As of the Latest Practicable Date, we have taken the following rectification measures:

- We have applied for and obtained relevant pollutant discharge permit;

- We have conducted an acceptance inspection of the environmental protection facilities and safety facilities for our Nantong manufacturing base Phase II;

- We are actively communicating with competent government authority to make sure that our rectification measures meets the requirements of the relevant regulations, as well as the expectation of capable government authority, and to avoid subsequent actions taken by the government authority.

As advised by our PRC Legal Advisor, the above circumstances regarding our Nantong manufacturing base are not expected to have any material adverse impact on our business and results of operation, based on (1) Nantong Xingyuan has obtained the Pollutant Discharge Permit, (2) interviews with relevant authorities of Environment and Safety, there are no foreseeable follow-up actions or penalties for Nantong Xingyuan; and (3) as of the latest practicable date, Nantong Xingyuan has organised the acceptance of the environmental protection facilities and safety facilities.

Legal Compliance of Dispatched Labour

As at September 30, 2025, the proportion of our dispatched workers at certain manufacturing bases that were either under construction or in the trial operation stage exceeded 10% of the total workforce. According to the Interim Provisions on Labour Dispatch and Labour Contract Law of the PRC, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees, and any employer in

violation of this provision may be ordered by the labour authorities to rectify within a specified time limit. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold. However, during the Track Record Period, we had not been subject to penalty by any capable authorities due to the above non-compliance. As at the Latest Practicable Date, the proportion of our labour dispatched employees is less than 10% and complies with the requirements of the Interim Provisions on Labour Dispatch of the PRC.

ENVIRONMENTAL, SOCI AL AND GOVERNANCE

ESG Policy

We are deeply aware of our responsibilities regarding environmental protection and social responsibility, and recognise the impacts that climate change related issues may have on our business operations. We are committed to complying with environmental, social and governance ("ESG") reporting requirements from the [REDACTED] Date. Our ESG Policy sets out our obligations and scope of authorities in performing the codes in Appendix C2 of the Listing Rules. We have established an ESG governance framework covering the Board, the ESG Office and the ESG Task Force, with clear delineation of responsibilities at all levels to ensure the systematic rollout and effective implementation of ESG management.

The Board is primarily responsible for reviewing and approving the Company's ESG development policies, strategies and objectives, supervising the implementation of ESG-related work, and reviewing and approving ESG reports and other significant ESG-related matters.

The main responsibilities of the ESG Office, as the coordinating function, include: (i) formulating overall policies, strategies, objectives and implementation approaches for ESG and climate change management; (ii) coordinating the setting, execution and performance evaluation of ESG and climate-related objectives; (iii) taking the charge in identifying and assessing major ESG and climate-related issues, and defining management priorities and response strategies; (iv) participating in the materiality assessment of ESG matters and providing professional advice to the Board; and (v) regularly reviewing the implementation of ESG objectives as required by the Board, and promoting continuous improvement.

The ESG Task Force consists of designated representatives from various operational and functional departments, and are mainly responsible for: (i) assisting in the collection, integration and provision of relevant ESG data and information; and (ii) coordinating communications among various stakeholders.

Environment

The Company has always regarded environmental protection as a core component of our sustainable development strategy. We have built a green, low-carbon and high-efficiency operation system through concrete actions. We have implemented a number of measures to promote green operations and optimised use of resources, including the continuous implementation of internal operation process optimization and

technological innovation to enhance energy efficiency, the active adoption of clean technologies, and the deployment of renewable energy projects in actual operations and production. Going forward, we will continue to promote energy-saving and emission reduction projects and explore more renewable energy application solutions, so as to achieve synergies between the continuous improvement of environmental performance and business growth.

Environmental Protection

We attach great importance to environmental management. We have formulated strict management policies and control measures for the waste gas, waste water and solid waste regularly discharged during our production process. We strictly comply with the Environmental Protection Law, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, the Law of the PRC on the Prevention and Control of Water Pollution, the Law of the PRC on the Prevention and Control of Air Pollution, the Law of the PRC on the Evaluation of Environmental Impacts, and other applicable environmental laws and regulations of China and other countries, so as to ensure that all operations are compliant with the laws and the requirements of the state's environmental policies.

We have established and implemented a standardised environmental management system in order to systematically identify and manage the environmental risks that we may face. We continue to promote the institutionalisation and standardisation of our environmental management in an effort to minimise the environmental impact of our daily operations. As at 31 December 2024, our six manufacturing bases located in Shenzhen, Nantong, Changzhou, Jiangsu, Hefei and Europe (namely, Shenzhen Senior, Nantong Senior, Changzhou Senior, Jiangsu Senior, Hefei Senior and European Senior, respectively) have all obtained the ISO 14001 environmental management system certification.

We actively respond to the EU Regulation (EC) No. 2023/1542 of the European Parliament and of the Council on Batteries and Waste Batteries, the EU Fluorine Restriction Directive and other international regulations, and continue to increase investment in R&D of green materials, and actively promote the technological break-through research of non-fluorine colloid products as an alternative to PVDF, so as to help our products better meet the market's green access standards. In the meantime, the Company has joined the Technical Committee of China Battery Industry Environmental Product Declaration Platform and the Battery Industry Carbon Emission Standard Working Group to help promote the construction of industry environmental standards and carbon emission accounting system, and to contribute to the green and low-carbon transformation of the battery industry.

As confirmed by our U.S. and Malaysian Legal Advisors and Swedish Legal Advisor as to the Environmental Matter during the Track Record Period and up to the Latest Practicable Date, we had materially complied with the environmental laws and regulations in respect of the construction of manufacturing bases in the foreign jurisdictions, including Sweden, Malaysia and the Unite States.

To address the gap of sustainable development standards in the separator industry, the Company has taken the lead in drafting and releasing a series of low-carbon standards for the industry, including the "Implementation Guide for Energy Efficiency Benchmarking in the Battery Industry", "Evaluation Criteria for Sustainable Factories", "Green Supply Chain Management Evaluation Specifications for Power Lithium Ion Battery Industry" and "Evaluation Requirements for Green Factories of Lithium Ion Battery Diaphragms", to help the industry achieve sustainable development of the whole value chain. We hope to push the industry in the direction of lower carbon, higher efficiency and more recycling through the development of standards. In 2022, 2023 and 2024, we invested a total of approximately RMB48.16 million, RMB35.97 million and RMB39.6 million in environmental protection, respectively. For the nine months ended September 30, 2025, we invested a total of approximately RMB71.61 million in environmental protection. As at the Latest Practicable Date, we have not been subject to any administrative penalties, fines or sanctions for violation of any applicable environmental protection laws and regulations. During the Track Record Period, we complied with the relevant PRC environmental laws and regulations in all material respects.

The Group has established corresponding management policies and practices in relation to the use of energy-efficient equipment, application of recyclable polymers, reduction of solvent usage in slurry formulation, and the extension of battery separator life and recyclability, as follows: (i) Energy-Efficient Equipment: We have formulated energy management policies at multiple production sites, such as the Energy Management Manual (Shenzhen Senior), the Energy Procedure Document and Energy Resource Consumption Control Procedure (Nantong Senior), and the Equipment Power Consumption Management Standard (Changzhou Senior). These set out requirements for the procurement and use of high-efficiency equipment, encourage the adoption of energy-saving technologies and new equipment, and support the gradual phasing out of high-energy-consuming equipment. (ii) Application of Recyclable Polymers: Sustainability of materials is fully taken into account in our product development. For example, a dedicated module is included in the Feasibility Study Report (Europe Senior) to assess and determine the procurement and usage standards of recyclable polymers. In addition, the

Emissions and Waste Management

We strictly abide by the Law of the PRC on Prevention and Control of Air Pollution, the Law of the PRC on Prevention and Control of Solid Waste Pollution and the Law of the PRC on Prevention and Control of Solid Waste Pollution and relevant laws and regulations, and continuously improve the mechanism of pollutant emission and waste management in accordance with the requirements of the ISO 14001 environmental management system. Each manufacturing base has an EHS (Environment, Health and Safety) department, which is responsible for the monitoring and management of pollutants such as waste gas, waste water and noise, and regularly commissions third-party organisations to carry out tests to ensure compliance with regulations and standards.

- Waste gas management: The EHS department of each base identifies pollution sources and types of waste gases in accordance with the Exhaust Gas Control Procedures, and carries out emission testing on a regular basis. We effectively improve the efficiency of waste gas treatment and reduce the impact on the external environment by optimising the manufacturing process, installing exhaust gas treatment facilities and building online monitoring systems.

- Waste water management: The Company manages domestic wastewater and industrial wastewater by category. Domestic wastewater is treated and discharged into the municipal pipeline network; industrial wastewater is classified and treated with specialised equipment. Rainwater and sewage diversion is operated in conjunction with an intelligent monitoring system to ensure discharge compliance and environmental safety.

- Solid waste management: We carry out a whole-process classified management and compliant disposal of solid waste in accordance with the relevant management system. General industrial waste, domestic waste and construction waste are uniformly collected at temporary sites, sorted into separated zones, and transported regularly. Dedicated collection sites are set up for domestic waste in the office area and installed with fire extinguishers and monitoring facilities, and a transfer agreement is signed with the municipal government for unified recycling and resource utilisation by recycling companies.

- Hazardous waste management: a special hazardous waste warehouse was built for each base, and centralised and classified storage and dedicated management has been implemented. All hazardous wastes are declared and registered through the government regulatory system, and regularly transported and harmlessly disposed of by qualified third-party agencies to ensure that the entire process is compliant and traceable.

Water Management

We strictly comply with the Water Law of the PRC and other relevant laws and regulations, and formulate and implement a number of internal protocols, including the Water Conservation Management System, to continuously improve water resource management and water-saving awareness among employees. Each manufacturing base strives to improve water use efficiency and reduce water consumption through various measures, including digital management, water conservation campaigns, water equipment inspection and water balance testing. We have also set up a water conservation working group to monitor the use of water resources at each base in real time to ensure the effective implementation of water conservation work.

The following table sets forth our water consumption figures for the years indicated:

		For the year ended 31 December			As at September 30
	unit	2022	2023	2024	2025
Water consumption					
Total water consumption	cubic metre	804,157.20	878,185.82	1,264,356.13	1,566,910.96
Recycled water consumption	cubic metre	22,496.50	41,029.10	47,282.20	33,523.00
Water intensity	cubic metre/ revenue of RMB10,000	2.79	2.91	3.57	5.30

Note:

(1) The increase in the Group's water use intensity from 2022 to 2024 was primarily due to the commissioning and ramp-up of newly built and expanded production lines, which significantly raised water demand (including for production, steam, utilities, and domestic use). To reduce water consumption, the Group has implemented measures such as condensate and steam recovery, process optimization, wastewater treatment and reuse, and rainwater collection, thereby improving water recycling rates and overall water efficiency.

Energy Management

We attach great importance to energy management and energy efficiency improvement. We have established an energy management system and have energy inspection mechanisms in place to continuously promote the standardisation and optimization of energy use. We carry out regular energy audits to systematically assess the energy efficiency performance of key energy-consuming equipment and processes. We have built an intelligent energy management platform by combining digital and intelligent means to achieve real-time collection, data analysis and dynamic regulation of water, electricity, gas and other energy sources, and to identify energy wastage in a timely manner, in a bid to continuously optimise our energy use structures. We also implemented energy reform pilot projects to continuously upgrade our workshop energy systems, and have installed air energy heat pumps at the manufacturing bases to heat tap water using surplus heat in the basement for employees' daily use in the dormitories. In addition, we actively promote the application of

renewable energy by deploying photovoltaic power generation systems to give priority to

Greenhouse Gas Emissions ("GHG") Management

We systematically manage GHG emissions at the levels of operations, factory construction and production activities, assess the impact of business activities on the environment, and formulate the "Senior Greenhouse Gas Inventory Procedures for Materials" to continuously promote low-carbon transformation. We have set up a Greenhouse Gas Inventory Team, coordinated by the ESG Office, to carry out regular carbon emission verifications of our manufacturing bases, identify and account for sources of emissions across all process of operations in strict accordance with the ISO 14064–1 standard, and scientifically manage carbon emission data. In order to enhance the transparency and credibility of the data, the Company has commissioned a qualified third-party organisation to conduct independent audits to ensure that the data is true and accurate. We have also launched a Scope 3 GHG emissions accounting programme to identify nine categories of emission sources and measure their percentage share to provide data support for the development of scientific emission reduction approaches and the implementation of sustainable development goals. We have preliminarily completed the identification of applicable categories and data collection for Scope 3 greenhouse gas (GHG) emissions during the period from June 1, 2023 to May 31, 2024. The Group's key Scope 3 GHG emission categories include: purchased goods and services (approximately 57.65%), fuel- and energy-related activities not included in Scope 1 and Scope 2 (approximately 30.01%), and downstream transportation and distribution (approximately 8.19%). Going forward, we will continue to track and refine the identification of Scope 3 emission categories, while strengthening data collection and accounting management.

The following table sets forth our GHG emissions figures for the years indicated:

		For the year ended 31 December			As at September 30
	Unit	2022	2023	2024	2025
GHG emissions					
Direct GHG emissions (scope 1)	tCO_2e	41,126.62	54,881.37	81,042.99	81,760.01
Indirect GHG emissions (scope 2)	tCO_2e	106,096.41	148,285.59	183,355.55	180,422.90
GHG emission intensity	tCO_2e/ revenue of RMB10,000	0.51	0.67	0.75	0.89

Notes:

(1) The sources of data for scope 1 GHGs are the consumption of gasoline, diesel fuel and natural gas during operations.

(2) The source of data for scope 2 GHGs is the consumption of purchased electricity and purchased heat during operations.

(3) The emission factors for gasoline, diesel, natural gas and purchased heat are calculated with reference to the "Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industries (for Trial Implementation)" issued by the General Office of the National Development and Reform Commission of China.

(4) The GHG emission factors for the power grid in mainland China refer to the Ministry of Ecology and Environment's Announcement on the Release of CO2 Emission Factors for Electricity in 2022.

(5) The increase in the Group's GHG emission intensity from 2022 to 2024 was broadly consistent with the trend in energy consumption, primarily due to increased use of purchased electricity, natural gas, and diesel. To mitigate the increase, the Group has continued to optimise its energy mix and efficiency, promote the use of clean energy, and implement production process improvements and energy-saving measures to reduce emission intensity.

Addressing Climate Change

We recognise the risks and opportunities brought by climate change. Our senior management is responsible for overseeing the Company's direction on climate change and industry dynamics; considering climate-related risks and opportunities and integrating them into the our overall strategic decisions. The ESG Office is responsible for planning and executing climate change work and reporting to the senior management, and providing execution support and safeguard for base-related work. To meet the challenges of climate change, we continue to improve the climate resilience of our operations and businesses, assessing their potential impact on operational performance, while focusing on low-carbon technological innovation for our products, and are committed to enhancing our corporate climate resilience.

Risk identification

We identify physical risks, including extreme weather, as well as transformational risks, such as policy regulations, market preferences, and technological change:

. Physical risks: Extreme weather events (e.g., typhoons, heavy rains, droughts, etc.) may cause damage to our facilities such as industrial parks, office buildings and staff dormitories, which in turn may affect production schedules and the health of our employees. Long-term climate change such as rising temperatures and water scarcity may also pose challenges to our operations.

. Transformational risk: As environmental regulations become increasingly stringent, we need to continue to improve our level of compliance in the areas of energy use, waste management and information disclosure. At the same time, customers' increased green preference and the accelerated technological upgrading of the industry will place higher demands on our products, technologies and operating models.

Response measures

To enhance climate resilience, we have taken a number of comprehensive countermeasures: (i) establishing a climate emergency management system, conducting extreme weather risk assessments and emergency drills; (ii) promoting the construction of telecommuting mechanisms and emergency response facilities to enhance business consistency; (iii) strengthening water security and employee health management; (iv) paying attention to the changes in climate policies and improving our compliance system;

(v) introducing a digital energy consumption management platform to promote energy conservation and operational efficiency; and (vi) upgrading green products and services to expand the application scenarios of low-carbon solutions.

Metrics, Targets and Action Plans

To control energy consumption and greenhouse gas emissions from production and operations, we have established environmental targets. Taking 2024 as the baseline year, we aim to reduce both the greenhouse gas emission intensity (including Scope 1 and Scope 2 emissions, in tonnes of CO_2e per 10,000 RMB of revenue) and the energy consumption intensity (MWh per RMB10,000 of revenue) by 5% by 2029. To achieve these targets, the Group has advanced related initiatives and measures across multiple dimensions, including environmental compliance, renewable energy use, technological upgrades, product development, and resource recycling, as follows: (i) Environmental compliance in operations: The Company aligns its environmental management plans with domestic and international regulations. All production sites have obtained the necessary environmental permits, ensuring compliance with local environmental laws and regulations. (ii) Increasing renewable energy usage: We are committed to promoting green transformation across our global production sites. A series of renewable energy application projects have been launched, accompanied by ongoing improvements in energy efficiency and expanded

Society

We are committed to fulfilling our corporate social responsibility. We highly value the establishment of long-term, mutual trust and mutually beneficial relationships with our employees, customers, suppliers and other stakeholders, and actively promote synergies between social and commercial values.

Employee Diversity and Equality

We strictly abide by the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Minors, the Law of the PRC on the Protection of Rights and Interests of Women and other relevant laws and regulations. We have zero tolerance for child labour and forced labour, and oppose any form of harassment and bullying in the workplace, to effectively safeguard the lawful rights and interests of employees.

We are committed to creating a diverse, equal and inclusive working environment. We respect all types of background, experience and ability of employees, and value the diversity and innovative value of individual differences, and aim to provide all our employees with a sense of belonging and development opportunities in an inclusive environment. We implement a hybrid compensation mechanism based on position, performance and merit, combined with a flexible compensation adjustment strategy, so that compensation matches the strategic objectives and is closely linked to the actual performance of employees, which incentivizes continuous growth and value creation.

Occupational Health and Safety

We uphold the policy of “safety first, prevention first, comprehensive management, full participation and continuous improvement”, and establish an occupational health and safety management system covering the headquarter and manufacturing bases. The Company has obtained the ISO 45001 occupa

departments, and developed prevention and warning mechanisms, emergency response processes, post-disposal programmes and supervision and management requirements to comprehensively improve emergency response capabilities.

In terms of occupational health, we have formulated a system consisting of physical examinations as well as monitoring and protection measures, and also set up employee health monitoring files and injury accounts. Annual testing and status evaluation of occupational hazards is conducted. Employees in high-risk positions are provided with the necessary personal protective equipment. We are also optimising our operating environment. Regular multi-level safety training and drills are organised, and new employees are required to complete three levels of safety education before they are allowed to work, so as to comprehensively improve safety awareness and emergency response capabilities, and safeguard the health of employees and the safety of production and operation.

Employee Development and Training

We attach importance to the career development and growth of our employees, and have established clear career paths and fair promotion mechanisms to support the professional advancement of employees in different types of positions. Through the "360-degree staff review" system, we comprehensively assess the ability and quality of employees in managerial, technical and key positions, and form a talent review report to provide a basis for organisational structure optimization and key talent identification.

In terms of training, we build a hierarchical and categorised talent training system, set up the "Senior Special Training Camp", and carry out training courses covering the whole career cycle. The courses consist of different modules, such as pre-employment training, professional skills, comprehensive capabilities, academic education and title evaluation. We also set up five major types of training programmes catering to specific positions to ensure the systematic and effective nature of the training. Through the scientific training mechanism and a culture of continuing learning, we continue to refine the calibre of employees and strengthen the foundation for corporate development.

Product Quality

We drive quality upgrading with technological innovation, establish and improve product quality management system, including the Quality Manual, Product Surveillance and Measurement Control Procedures, Nonconforming Product Control Procedures, Product Recall Management Specification, and carry out regular audits of quality management system through Internal Audit Control Procedures to ensure the system continues to operate effectively. The Company has obtained ISO 9001:2015 quality management system certification, IATF 16949:2016 quality management system and other certifications, and conducts annual audits and updates of certification.

In order to strengthen product quality measurement and monitoring, we have formulated annual quality objectives and management programmes, covering production, quality, equipment, planning and other areas of work, and regularly track the progress, while conducting in-depth analysis and improvement of projects that do not meet the

standards, with the end goal of a standard rate of 100% for projects. We have also set up a performance assessment mechanism to incorporate core indicators, such as customer audit pass rate, number of customer complaints, and return rate into the management's assessment of performance indicators, to build an across-the-board quality management accountability system, and to promote the effective implementation of the quality objectives. With regards to after-sales service, we have established a standardised product recall process, defined the responsibilities of the marketing centres, quality control centres, and technical centres, and improved the closed-loop management of customer

developing a risk management culture and raising the risk management awareness of all employees. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations.

Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal controls and systems, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. We developed a robust risk management system monitoring and addressing risks in our daily operations.

To ensure the continuity of our business, we have put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various business units. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

Regulatory Compliance Risk Management

We are subject to evolving regulatory requirements in the PRC, including requirements to obtain and renew certain licences, permits, approvals and certificates for our business operations in different regions. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the regions in which we operate to ensure we obtain requisite licences to operate our business, and we have an up-to-date understanding of the applicable requirements. In addition, we monitor and review the status of our licences and permits on a regular basis. We continually improve our internal policies according to changes in laws, regulations and industry standards, and update our internal protocols accordingly.

Internal Control Risk Management

We have designed and adopted strict internal control procedures to ensure the compliance of our business operations with the relevant rules and regulations. In accordance with these procedures, our in-house legal department reviews and updates the forms of contracts that we enter into, examines the contract terms and reviews all relevant documents for our business operations, and is responsible for obtaining any requisite governmental pre-approvals or consents. We have strictly prohibited our employees from receiving kickbacks, bribing others, or secretly receiving commissions or any other personal benefits.

Human Resources Risk Management

We have implemented a human resource management system to ensure the effective functioning of us, safeguard the legitimate rights and interests of parties to the employment relationship and improve operating efficiency. Our internal human resource management system covers all the stages of employment relationship, from recruitment to probation, appraisal, promotion and review, and exit.

We have in place an employee handbook and a code of conduct approved by our management and have distributed them to all our employees. The handbook contains internal rules and guidelines regarding work ethics, fraud prevention mechanisms, negligence and corruption. We provide employees with regular trainings, as well as resources to explain the guidelines contained in the employee handbook.

Credit Risk Management

We face credit risks primarily arising from our products and services delivered to the extent that our customers fail to perform their payment obligations as provided in the purchase and service agreements. We address such credit risks by carefully evaluating the credit profiles, liquidity position and market reputation of potential customers.

Internal Audit

We have established an Audit Committee to monitor the implementation of our risk management policies across our Group on an ongoing basis and to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee consists of three members, namely Dr. Lin Zhiwei, Mr. Tang Changjiang, and Mr. Zhu Bide. Dr. Lin Zhiwei is the chairman of the Audit Committee. For the professional qualifications and experiences of the members of our Audit Committee, please refer to "Directors and Senior Management" for details.

We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the Audit Committee and senior management on any issues identified. Our internal audit department members are required to report to management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the Audit Committee to ensure that any major issues identified are channelled to the committee on a timely basis. The Audit Committee then discusses the issues and reports to the Board, if necessary.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

OVERVIEW

As at the Latest Practicable Date, our Company is held as to approximately 12.67% and 0.03% by Prof. Chen and Ms. Chen, respectively. Therefore, Prof. Chen and Ms. Chen were in aggregate entitled to exercise the voting rights attached to approximately 12.69% of our Shares in issue.

Immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised, Prof. Chen and Ms. Chen will be entitled to exercise in aggregate the voting rights attached to approximately [REDACTED]% of our Shares in issue. Assuming the [REDACTED] is exercised in full, Prof. Chen and Ms. Chen will be entitled to exercise in aggregate the voting rights attached to approximately [REDACTED]% of our Shares in issue. Accordingly, Prof. Chen and Ms. Chen will constitute the Single Largest Shareholders of our Company.

Please see "Directors and Senior Management" for biographical details of Prof. Chen. Please see "History, Reorganisation and Corporate Structure" for the simplified corporate structure of our Group.

RULE 8.10 OF THE LISTING RULES

As at the Latest Practicable Date, none of our Single Largest Shareholders had any interest in any business which competes, or is likely to compete, either directly or indirectly, with our business and would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETE UNDERTAKINGS

Prof. Chen has entered into a non-compete undertaking in December 2014, pursuant to which Prof. Chen has undertaken, amongst others that, so long as he retains control of our Group:

(i) Prof. Chen shall not engage, directly or indirectly, in any business which is the same, similar to, or constitutes actual or potentially competitive business with our Company;

(ii) if, for any reason, any entities directly or indirectly held or controlled by Prof. Chen (other than our Company) (the "Restricted Entities") directly or indirectly engages in a business which competes or may compete with the business of our Company:

(a) our Company shall have the priority to engage in such business and the Restricted Entities shall not engage in such business. If requested by our Company, Prof. Chen shall transfer all his interests in the Restricted Entity, and undertake to grant to our Company a pre-emptive right on such interests, and shall use his best endeavours to procure such transaction is conducted on a fair and reasonable price and on the basis of normal commercial terms with independent third parties; or

(b) procure that the Restricted Entity promptly transfer or cease such business.

(iii) where Prof. Chen discovers any new business opportunity which competes or may compete directly or indirectly with the principal business of our Company, Prof. Chen shall promptly notify our Company in writing, and shall use his best endeavours to procure that such business opportunity be provided to our Company on fair and reasonable terms and conditions;

(iv) Prof. Chen will not make use of his status as the actual controller of our Company to cause harm to the interests of our Company or other minority Shareholders; and

the delegated authorities of management team, as well as the regular updates of operational and financial data and information that are provided to our Directors;

(ii) each of our Directors is aware of his/her fiduciary duties as a director of our Company which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(iii) the Articles of Association has made relevant provisions to avoid conflict of interest, in that our Directors are prohibited from voting in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest. Prof. Chen will abstain from

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RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

Operational Independence

Our Company will continue to operate independently from our Single Largest Shareholders after the [REDACTED]. Our Company has our own organisational structure with independent departments, each with specific areas of responsibility. Furthermore, we have independent production capabilities and technology relating to our Group's business and do not rely on our Single Largest Shareholders or any of their close associates. Our Company also maintains a set of comprehensive internal control measures to facilitate the effective operation of our business. Our Company has independent channels to access our customers and is not dependent on our Single Largest Shareholders with respect to suppliers for our business operations. Our Company has its own employees to operate the business and can independently manage its human resources. We have obtained relevant licences, approvals and permits from relevant regulatory authorities which are material to our operations in the PRC.

We entered into certain continuing connected transactions with our connected persons. Please see "Connected Transactions" for more details. Taking into account the amounts and nature of the relevant transactions during the Track Record Period, our Directors believe that such transactions will not affect the operational independence of our Group.

Based on the above, our Directors believe that our business is operationally independent of our Single Largest Shareholders.

Financial Independence

We have adopted our own independent internal control and financial management systems and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. We make financial decisions and determine our use of funds according to our own business needs. We have adequate internal resources and a strong credit profile to support our daily operation. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with our Single Largest Shareholders or their close associates. We are also capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Shareholders. We do not expect to rely on our Single Largest Shareholders or any of their close associates for financing after the [REDACTED] as we expect that our working capital will be primarily funded by cash generated from our business operation, and external financing.

No loan or guarantee has been provided by, or granted to, our Single Largest Shareholders or their respective associates during the Track Record Period and as at the Latest Practicable Date.

In light of the above, our Directors are of the view that we are able to maintain financial independence from our Single Largest Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of sound corporate governance in protection of our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

In order to further avoid potential conflicts of interest, we have implemented the following measures to strengthen the protection of our Shareholders' interests:

(i) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest;

(ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholders or any of its close associates has a material interest, our Single Largest Shareholders will abstain from voting on the relevant resolutions;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Single Largest Shareholders or any of its associates, our Company will comply with the applicable requirements under the Listing Rules;

(iv) we are committed that our Board shall include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have currently appointed three independent non-executive Directors, and we believe our independent non-executive Directors: (a) possess sufficient experience; (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement; and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole;

(v) our independent non-executive Directors will continuously review the compliance and enforcement of the undertakings by Prof. Chen under the non-compete undertakings;

(vi) in the event that our independent non-executive Directors are requested to review Co312-.2(or)-evant90.7(itor)-ethsaiCo317stedn2.6-252tweens;s0283 Ttranldeip ersl6.2(s).68

(vii) we have appointed Goldlink Capital (Corporate Finance) Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws in Hong Kong and the Hong Kong Listing Rules, including various requirements relating to directors' duties and corporate governance, upon [REDACTED].

CONNECTED TRANSACTIONS

Upon the [REDACTED], transactions between us and our connected persons will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which will constitute connected transactions upon the [REDACTED]:

Name of our connected persons	Connected Relationship
Shenzhen Kexin Hydrogen Materials Co., Ltd. ( ) ("Shenzhen Kexin")	As at the Latest Practicable Date, Shenzhen Kexin is held as to 30% by Prof. Chen, who is an executive Director, a substantial shareholder and a Single Largest Shareholder of our Company. Therefore, Shenzhen Kexin will become a connected person of our Company upon [REDACTED].
Shenzhen Youte Fresh Filter Materials Technology Co., Ltd. ( ) ("Shenzhen Youte")	As at the Latest Practicable Date, Shenzhen Youte is held as to 60% by Mr. Chen Yifu ( ) ("Mr. Chen"), who is the son of Prof. Chen. Therefore, Shenzhen Youte will become a connected person of our Company upon [REDACTED].
Gotion High-tech, together with its subsidiaries ("Gotion Group")	Hefei Guoxuan High-tech Power Energy Co., Ltd. ( ) ("Hefei Guoxuan") is a substantial shareholder of our subsidiary, Hefei Senior, as it holds a 27.69% of equity interest in Hefei Senior. Based on publicly available information and to the best of our Directors' knowledge, information and belief, Hefei Guoxuan is a wholly owned subsidiary of Gotion High-tech and therefore members of Gotion Group will constitute connected persons of our Company at the subsidiary level upon completion of the [REDACTED].

CONNECTED TRANSACTIONS

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Services Framework Agreement

On [ ], our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "Services Framework Agreement") with Shenzhen Kexin, pursuant to which our Group will provide leasing services to Shenzhen Kexin, for a term commencing from the [REDACTED] Date to 31 December 2028. Members of our Group and Shenzhen Kexin will enter into individual agreements for each of the specific transactions contemplated thereunder, provided that any such individual agreement shall follow the principles as set out in the Services Framework Agreement and the aggregate fees to be received by our Group for the three financial years ending 31 December 2028 thereunder shall not exceed the proposed annual caps.

We will, from time to time, lease properties which are not in use by our Group to other parties, and such leases will be entered into on normal commercial terms in the ordinary and usual course of our business with third parties including Independent Third Parties and Shenzhen Kexin.

As the highest applicable percentage ratio of the transactions under the Services Framework Agreement for the three years ending 31 December 2028 calculated for the purpose of Chapter 14A of the Listing Rules is less than 0.1% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company but will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

Receipt of labour services from Gotion Group and guarantee provided by Gotion Group

During the Track Record Period, Gotion Group provided certain labour services to Hefei Senior. The compensation to be paid by Hefei Senior for the receipt of such labour services shall be determined with reference to the compensation level of comparable positions in the same industry as Hefei Senior, and is expected to continue after [REDACTED].

As the highest applicable percentage ratio of the compensation paid to Gotion Group for such labour services for the three years ending 31 December 2028 calculated for the purpose of Chapter 14A of the Listing Rules is less than 0.1% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company but will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

As at the Latest Practicable Date, Gotion Group provided guarantee in favour of Hefei Senior for certain bank borrowings amounting to RMB70.17 million. Such guarantee will constitute our continuing connected transaction under the Listing Rules.

On the basis that the guarantee, being financial assistance (as defined in the Listing Rules) provided by Gotion Group for our benefit, was conducted on normal commercial terms or better, and not secured by our assets, the transaction will be fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Products Framework Agreement

Principal Terms

On [ ], our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "**Products Framework Agreement**") with Shenzhen Youte, pursuant to which our Group will procure certain products (including but not limited to purification products) from Shenzhen Youte, and sell certain products (including but not limited to lithium-ion battery separators) to Shenzhen Youte.

The initial term of the Products Framework Agreement will commence on the [REDACTED] Date and end on 31 December 2028. Members of our Group and Shenzhen Youte will enter into individual agreements for each of the specific transactions contemplated thereunder, provided that any such individual agreement shall follow the principles as set out in the Products Framework Agreement and the aggregate fees to be paid and received by our Group for the three financial years ending 31 December 2028 thereunder shall not exceed the proposed annual caps as set out below.

Reasons for the Transactions

We will, from time to time, procure certain purification products from Shenzhen Youte to meet the demands of our customers. The purification products procured from Shenzhen Youte are not used in the manufacturing of the Group's battery separators, but are purchased in response to our customers' demands and are sold directly to our customers. Our customers do not procure these purification products directly from Shenzhen Youte because Shenzhen Youte does not have sales presence or distribution channels in Europe. Having identified our customers' needs for such purification products, and given that our customers consider it more convenient to procure these products through us as part of their existing supply relationship, we act as an intermediary to facilitate such procurement. This arrangement allows our customers to streamline their procurement process and consolidate their supplier relationships, whilst enabling us to provide value-added services to our customer base. Our procurement of purification products from Shenzhen Youte is conducted on a demand-driven basis. We receive enquiries or purchase orders from our customers specifying their requirements and, upon receipt of confirmed orders, we place corresponding purchase orders with Shenzhen Youte for the required quantities. We do not maintain significant inventory of purification products, as purchases are made against actual customer orders. This approach minimises inventory risk and ensures that our procurement is aligned with genuine customer demand.

We charge our customers on a cost-plus pricing basis, which is intended to cover our handling, logistics coordination, quality assurance and other administrative costs, taking into account the convenience and value-added services we provide. Such procurement will be entered into on normal commercial terms in the ordinary and usual course of our business with third parties including Independent Third parties and Shenzhen Youte. We are not and will not be bound to procure products from Shenzhen Youte, and we will only procure products from Shenzhen Youte if we consider it is in the interests of our Company and Shareholders as a whole.

Shenzhen Youte engages in the production and sales of purification products. During the Track Record Period, we have supplied products including lithium-ion battery separators to Shenzhen Youte and we expect that we will continue to provide such products after the [REDACTED]. Our Group has a stable business relationship with Shenzhen Youte. Shenzhen Youte is familiar with the products that our Group manufactured and procures these products for its production of purification products. Such collaboration with Shenzhen Youte brings our Group additional sales.

Consideration and Pricing Policies

The fees to be paid by our Group to Shenzhen Youte shall be determined through arm's length negotiations between the relevant parties and with reference to: (i) the type of products and transaction volume; (ii) the prevailing market price of products of similar nature, type and quantity; and (iii) the price offered by Independent Third Parties to us for similar products.

The fees to be charged by our Group to Shenzhen Youte shall be determined through arm's length negotiations between the relevant parties and with reference to: (i) the type of products and transaction volume; (ii) the prevailing market price of products of similar nature and quantity; (iii) expected expenses and cost and profit margin of our Group; and (iv) the price offered by the relevant member of our Group to Independent Third Parties for the similar products.

Historical Amounts

During the Track Record Period, we did not procure any products from Shenzhen Youte.

We have only supplied products to Shenzhen Youte since December 2024. The historical transaction amounts received by our Group from Shenzhen Youte for the year ended 31 December 2024 and the nine months ended 30 September 2025 was RMB5,735 and RMB231,628, respectively.

Annual Caps

The following table sets forth the proposed annual caps for the annual transaction amounts to be paid/received by our Group to/from Shenzhen Youte under the Products Sales Framework Agreement:

	For the year ending 31 December		
	2026	2027	2028
	(RMB in million)		
Transaction amount to be paid by our Group to Shenzhen Youte	2.5	3.0	4.0
Transaction amount to be received by our Group from Shenzhen Youte	3.0	4.0	5.0

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the relevant sales by our Group to Shenzhen Youte during the Track Record Period;

(ii) the existing transactions entered into between the relevant members of our Group and Shenzhen Youte;

(iii) the expected demand of our Group/Shenzhen Youte for such products due to the plan for business expansion, the potential demand of our customers, and increasing market opportunities of each of our Group and Shenzhen Youte; and

(iv) other factors including but not limited to the expected market price of such products and their expected market trend.

Listing Rules Implications

As the highest applicable percentage ratio of the transactions under the Products Sales Framework Agreement for the three years ending 31 December 2028 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company and subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Products Sales Framework Agreement

Principal Terms

On [ ], our Company, for itself and on behalf of its subsidiaries, entered into a framework agreement (the "Products Sales Framework Agreement") with Gotion Group, pursuant to which our Group will sell certain products (including but not limited to lithium-ion battery separators) to Gotion Group.

The initial term of the Products Sales Framework Agreement will commence on the [REDACTED] Date and end on 31 December 2028. Members of our Group and Gotion

Historical Amounts

The historical transaction amounts of sales by our Group to Gotion Group for the years ended 31 December 2022, 2023, 2024 and nine months ended 30 September 2025 were RMB233.5 million, RMB223.0 million, RMB304.0 million and RMB259.3 million, respectively.

Annual Caps

The following table sets forth the proposed annual caps for the amounts to be received by our Group:

	For the year ending 31 December		
	2026	2027	2028
	(RMB in million)		
Transaction amount to be received by our Group from Gotion Group	638.0	759.0	800.0

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions contemplated under the relevant transactions between our Group and Gotion Group during the Track Record Period;

(ii) the existing transactions entered into between the relevant members of our Group and Gotion Group and the expected increase in demand of Gotion Group for such products due to Gotion Group's expanded production capacity and our plan for business expansion and increasing market opportunities; and

(iii) other factors including but not limited to the expected market price of such products and services and their expected market trend.

Listing Rules Implications

As the highest applicable percentage ratio of the transactions with Gotion Group for the three years ending 31 December 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company and subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In accordance with Rules 14A.55 and 14A.56, the independent non-executive Directors and the Company's auditors will review the continuing connected transactions annually, and their confirmations will be disclosed in the Company's annual report.

INTERNAL CONTROL PROCEDURES

Our Group adopts the following internal control measures to ensure that the continuing connected transactions will becarried out in accordance with the terms of relevant agreements, including the pricingpolicies, and in compliance with all the applicable requirements under the Listing Rules:

- we have adopted a connected transactions management policy for the purpose of ensuring that relevant connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;

- prior to the execution of the individual agreements under any framework agreements, the operation department of the relevant business sector of our Group will compare the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with Independent Third Parties or the terms offered to or by Independent Third Parties (as the case may be) to ensure that the terms of agreements thereunder shall be no less favourable to our Group than terms between our Group and the Independent Third Parties;

- the finance team of our Group shall regularly examine the pricing of the transactions under the relevant agreements to ensure that those transactions are conducted in accordance with the pricing terms therein;

- the internal control team of our Group shall periodically review the pricing of the transactions under the relevant agreements against the prices negotiated between our Group and Independent Third Parties for similar products and services, to ensure that the terms of the agreements thereunder are not less favourable to our Group than terms between our Group and the Independent Third Parties;

- the finance and business teams of our Group shall periodically monitor the transaction amount under relevant agreements, when it is expected that the transaction amount might exceed the annual cap, promptly report in accordance with our Group's connected transactions management policy to ensure that the Company complies with all the applicablerequirements under the Listing Rules, including to revise the relevant annual cap when appropriate;

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WAIVER FROM THE STOCK EXCHANGE

As the material terms of the partially-exempt and non-exempt connected transactions are disclosed in this document and potential investors will participate in the [REDACTED] on the basis of the disclosures, our Directors consider that strict compliance with the announcement, circular and/or independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules would be unduly burdensome and, in particular, would induce unnecessary administrative costs to our Company.

As a result, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] us, subject to the condition that the maximum aggregate annual transactions value shall not exceed the estimated annual caps as stated above, a waiver under Rule 14A.105 of the Hong Kong Listing Rules to exempt (i) transactions set out in "— Partially-Exempt Continuing Connected Transactions" in this section from strict compliance with the announcement requirement under Chapter 14A of the Hong Kong Listing Rules; and (ii) transactions set out in" — Non-Exempt Continuing Connected Transactions" in this section from str

SOLE SPONSOR'S CONFIRMATION

The Sole Sponsor has (i) reviewed the relevant documents and information provided by the Company in connection with the aforesaid Products Framework Agreement and the Products Sales Framework Agreement; and (ii) engaged in due diligence review and discussions with the management of the Company. On the basis of the foregoing, the Sole Sponsor is of the view that each of the aforementioned Products Framework Agreement and the Products Sales Framework Agreement (in respect of which waivers are sought) has been entered into in the ordinary and usual course of business on normal commercial terms or better, the terms and proposed annual cap of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

DIRECTORS

Our Board consist of the following Directors. Our Directors serve a term of three years and shall be subject to re-election upon the expiry of their respective term of office.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as Director[1]	Roles and responsibilities
Chen Xiufeng (陳秀峰)	58	Executive Director, chairman of our Board and general manager	September 2003	September 2008	Responsible for the strategic planning, business direction and daily operation and management of our Group
ZHANG XIAOMIN	57	Executive Director, vice general manager and chief technology officer	January 2017	December 2023	Responsible for the overall management, daily operation, and technologies of our Group
Xu Liqiang (徐 強)	47	Executive Director	May 2021	June 2025	Responsible for the overall management and daily operation of our east China base
Zhu Bide (彼得)	69	Non-executive Director	November 2021	November 2021	Responsible for providing professional opinion and judgement to the Boona(9O[G4to)-7-6.8(i)-.7(ang)]TJ (徐峰) opinion and judgement to the Boona(9O[G4to)-7 opinion and judgemenof

Notes:

(1) The dates of the appointment refer to the appointment of the relevant positions in our Company after its conversion into a joint stock company with limited liability in September 2008. For the details of the conversion, please see "History and Corporate Structure — Incorporation of our Company and Conversion into a Joint Stock Company"

(2) Mr. Leung Shu Sun Sunny shall replace one of the c

Mr. Xu Liqiang ( ), aged 47, is an executive Director of our Company. Mr. Xu is primarily responsible for the overall management and daily operation of our east China base.

Mr. Xu has been a Director since June 2025. He served as the deputy general manager of Jiangsu Senior from May 2021 to March 2022, the general manager of Nantong Senior from July 2022 to June 2024. Mr. Xu has been serving as the general manager of the east China base of our Company since June 2024. Prior to joining our group, Mr. Xu served as multiple roles at Murata Energy Device Wuxi Co., Ltd. (新能源( )有限公司) from November 2001 to October 2019, including engineer, deputy operations manager, vice president and deputy general manager.

Mr. Xu obtained his bachelor's degree in mechanical engineering and automation from Nantong Institute of Engineering (南通工 院), currently known as Nantong University (南通), in the PRC in June 2000.

Non-Executive Director

Mr. Zhu Bide ( ) (former name: Zhu Weibin (衛兵)), aged 69, is a non-executive Director. He has been a Director since November 2021. Mr. Zhu is primarily responsible for providing professional opinion and judgement to the Board.

Mr. Zhu has been serving as a Director since November 2021. Prior to joining our Group, he taught at Huazhong University of Science and Technology (中科技) from February 1985 to September 1988. He worked at Shenzhen Shekou Enterprise Group (深圳市蛇口企 集團) from October 1988 to December 1994. He worked at China Guangfa Bank Co., Ltd. (中國廣發 股份有限公司) and China Guangfa Securities Co., Ltd. (中國廣發證券股份有限公司) from 1995 to January 2003. He served as the chief representative of the Beijing office of Guoyuan Securities Co., Ltd. (國元證券股份有限公司) and the general manager of the business department from February 2003 to December 2004. He served as the vice president of Beijing Intercontinental Investment Co., Ltd. (北 洲際投資有限公司) from January 2005 to 2008. He served as deputy director and chief economist of the China Urban Development Research Institute (中國城市發展 院) from March 2008 to October 2021.

Mr. Zhu obtained his bachelor's degree in economics from Yunnan University (雲南) in PRC in July 1982 and his master's degree in economics from Huazhong University of Science and Technology (中科技) in November 1985.

Independent Non-Executive Directors

Mr. Tang Changjiang ( ), aged 55, was appointed as an independent non-executive Director in September 2024. Mr. Tang is primarily responsible for providing independent advice and judgement to the Board.

Mr. Tang has been serving as the independent director of Tianjin Guoan Mengguli New Materials Technology Co., Ltd. (天津國安盟固利新材料科技股份有限公司) since January 2024 and Taihe New Materials Group Co., Ltd. (泰和新材集團股份有限公司) since April 2023. He currently serves as the secretary-general of Guangdong Battery Industry Association (廣東省電池行業協會).

From August 1994 to October 1996, Mr. Tang served as general manager at Shenzhen Collins Electronics Industrial Co., Ltd. (深圳科斯德電子實業有限公司). From March 1998 to May 2002, Mr. Tang served as the deputy secretary-general at Shenzhen Electronics Industry Association (深圳市電子行業協會). From March 2003 to June 2013, he served as the general manager of Shenzhen Tangshi Electronics Co., Ltd. (深圳市唐氏電子有限公司). From July 2013 to May 2019, he served as the vice general manager at Shenzhen Xinyuhuan Testing Co., Ltd. (深圳市鑫宇環檢測有限公司). From June 2020 to March 2023, he served as the independent director at Yunnan Enjie New Materials Co., Ltd. (雲南恩捷新材料股份有限公司), a company listed on the Shenzhen Stock Exchange under the stock code 002812.

Mr. Tang obtained his master's degree in Victoria University in Australia in November 2014.

Dr. Lin Zhiwei (林志偉), aged 45, was appointed as an independent non-executive Director in November 2020. Dr. Lin is primarily responsible for providing independent advice and judgement to the Board.

Dr. Lin has taught in Shenzhen University (深圳大學) since July 2014 and currently serves as the deputy director of the accounting department of Shenzhen University. He also has been serving as the independent director of Shenzhen Jieshun Technology Industry Co., Ltd. (深圳市捷順科技實業股份有限公司), a company listed on the Shenzhen Stock Exchange under the stock code 002609, since January 2022, Shenzhen Hi-Tech Investment Sanjiang Electronics Co., Ltd. (深圳市高新投三江電子股份有限公司) since March 2022. Dr. Lin has served as the independent director of Shenzhen Tongtaiying Technology Co., Ltd. (深圳市通泰盈科技股份有限公司) since December 2020 and Shenzhen Huichun Technology Co., Ltd. (深圳市匯春科技股份有限公司) since April 2022.

Dr. Lin obtained his master's degree in accounting from Shenzhen University (深圳大學) in the PRC in July 2007 and his Doctoral degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2012.

Ms. Sun Zhenzhen (孫珍珍), aged 40, was appointed as an independent non-executive Director in December 2023. Ms. Sun is primarily responsible for providing independent advice and judgement to the Board.

Ms. Sun has been serving as the secretary-general of standardisation technical committee of Shenzhen Polymer Industry Association (深圳市高分子行業協會標準化技術委員會) since 2020. Prior to this role, Ms. Sun served as the head of the R&D department at Shenzhen Esun Industrial Co., Ltd. (深圳光韻達股份有限公司) from July 2011 to May 2013.

Ms. Sun obtained her bachelor's degree in chemical engineering and technology from Wuhan University of Technology (武 工) in June 2008, her master's degree in materials processing from Chongqing University of Technology (工) in June 2011. Ms. Sun was accredited as the senior engineer in polymer chemistry by Shenzhen Municipal Human Resources and Social Security Bureau(深圳市人力資源和 保障局).

Mr. Leung Shu Sun Sunny ( ), aged 62, was appointed as our independent non-executive Director on June 2025 with effect from [REDACTED]. Mr. Leung is primarily responsible for providing independent advice and judgement to the Board.

Mr. Leung has been serving as a director of Universal Link Consultants Limited(達盈 限公司) since July 2001, an independent non-executive director at Pan Asia Environmental Protection Group Limited, a company listed on the Main Board of the Stock Exchange under the stock code 00556, since December 2007, an independent non-executive director at China Art Financial Holdings Limited (中國 融 股 限公司), a company listed on the Main Board of the Stock Exchange under the stock code 01572, since October 2016 and a director of Gold Fountain (China) Trading Limited ((中國) 貿易 限公司) since February 2021. He served as the company secretary of Xiwang Sugar Holdings Company Limited (now known as Xiwang Property Holdings Limited), a company listed on the Main Board of the Stock Exchange under the stock code 02088, from 2005 to June 2007.

Prior to these roles, Mr. Leung worked at PricewaterhouseCoopers (formerly known as Coopers & Lybrand) from 1988 to 1990 and last served as senior auditor. He served as the financial controller of a Bel Trade (Holdings) Company Ltd. (百 (股) 限公司) from October 1993 to June 1998.

Mr. Leung obtained his professional diploma in accounting from Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in Hong Kong in November 1987, his master's degree in business administration from the University of South Australia in Australia in December 1997.

Save as disclosed above, (i) none of our Directors (other than our independent non-executive Directors) has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business, and (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(b) to (v) of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 20 June 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

SENIOR MANAGEMENT

The senior management is responsible for the day-to-day management of our business. None of the members of senior management are related to our Directors or other members of senior management. The following table sets out the information of members of our senior management.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as Director/ senior management[1]	Roles and responsibilities
Chen Xiufeng (陳秀峰)	58	Executive Director, chairman of our Board and general manager	August 2003	September 2008	Responsible for the strategic planning, business direction and daily operations and management of our Group
ZHANG XIAOMIN	57	Executive Director, vice general manager and chief technology officer	January 2017	December 2023	Responsible for the overall management, daily operation and technologies of our Group
Xia Jun ( )	45	Vice general manager and vice president of marketing	February 2023	February 2023	Responsible for daily operation of our Group
Wang Hao (浩)	43	Chief financial officer	January 2024	January 2024	Responsible for overall financial management of our Group
Li Sheng (昇)	40	Board secretary and joint company secretary	September 2024	September 2024	Responsible for information disclosure and investor relations management of our Group

Note:

(1) The dates of the appointment refer to the appointment of the relevant positions in our Company after its conversion into a joint stock company with limited liability in September 2008. For the details of the conversion, please see "History and Corporate Structure — Incorporation of our Company and Conversion into a Joint Stock Company".

Prof. Chen Xiufeng (陳), aged 58, is an executive Director, chairman of the Board and general manager of our Company. For Prof. Chen's biography, please see "— Directors — Executive Directors" in this section.

Dr. ZHANG XIAOMIN , aged 58, is an executive Director, vice general manager and chief technology officer of our Company. For Dr. Zhang's biography, please see "— Directors — Executive Directors" in this section.

Mr. Xia Jun (夏鈞), aged 45, has been our vice president of marketing since February 2023 and our vice general manager since January 2024. He is responsible for daily operation of our Group.

Prior to joining our Group, Mr. Xia served as marketing & sales senior manager at Daikin Chemical International Trading (Shanghai) Co., Ltd. (金化 國際貿易(上海)有限公司) from March 2003 to October 2006 and Daikin Fluorochemicals (China) Co., Ltd. 金 化工(中國)有限公司 from October 2006 to September 2014. He served as Northeast Asia Sales Director at SI Group-Shanghai Co., Ltd. (聖萊科 化工(上海)有限公司) from September 2014 to January 2018. He served as Greater China materials sales director at Solvay (Shanghai) Co., Ltd. (蘇 (上海)有限公司) from January 2018 to March 2023.

Mr. Xia obtained her bachelor's degree in Thermal Energy and Power Engineering from Shanghai Jiaotong University (上海 通) in July 2002, his master's degree in power and field engineering in June 2009 and master's degree in business administration in March 2013 from Shanghai Jiaotong University.

Mr. Wang Hao (王浩), aged 43, has been our chief financial officer since January 2024. He is responsible for overall financial management of our Group.

Prior to joining our Group, Mr. Wang worked in Wante Electronics (Shanghai) Co., Ltd. (萬 電子(上海)有限公司) from July 2005 to April 2007, Dow (China) Investment Co., Ltd. (陶氏(中國)投資有限公司) from May 2007 to April 2008, Visteon (Asia Pacific) Co., Ltd. (通(亞)有限公司) from May 2008 to April 2011, Bosch Automotive Service Technology (Suzhou) Co., Ltd. (博 汽 務技 (蘇州)有限公司) from October 2011 to July 2015. Mr. Wang served as financial director and the director of Ningbo Jifeng Automotive Parts Co., Ltd (寧 峰汽 零部件股份有限公司), a company listed on the Shanghai Stock Exchange under the stock code 603997, from May 2017 to May 2021. He served as a director and the vice pthea4 0 /F84 1 Tf 1.029orM95 0 TD ( )Tj /F2firMe.2726 TD (pth)-30

Mr. Wang obtained his bachelor's degree in accounting from Harbin Institute of Technology (哈□□工) in July 2005.

Mr. Li Sheng ( ), aged 40, has been our board secretary since September 2024 and joint company secretary since June 2025. He is responsible for information disclosure and investor relations management of our Group.

Prior to joining our Group, Mr. Li served as multiple titles at Industrial Securities Co., Ltd. (證券股份有限公司), a company listed on the Shanghai Stock Exchange under the stock code 601377, from 2011 to 2021, including sales manager of institutional client department, sales manager of financial and economic research institute, head of Guangzhou business of sales trading headquarters. He served as the head of South China group of institutional client headquarters at Shenwan Hongyuan Securities Co., Ltd.(萬 源證券有限公司) from September 2021 to September 2024.

Mr. Li obtained his bachelor's degree in environmental engineering from Nanjing University in PRC in June 2006 and his master's degree in finance from Sun Yat-sen University (中山) in PRC in June 2010.

FURTHER INFORMATION ABOUT PROF. CHEN

During his tenure with our Group, Prof. Chen, our executive Director, chairman of the Board and a Single Largest Shareholder, received certain regulatory and warning decisions (the "Decisions") from the Shenzhen Stock Exchange and the CSRC (collectively, the "Incidents"), listed as follows:

(i) Delayed notification of share pledge by Prof. Chen (March 2018) Prof. Chen pledged 17.7 million shares (about 9.22% of the Company's total share capital) on 6 March 2018, but only notified the Company of this pledge on 23 March 2018. This delay was due to his inadvertent oversight of the relevant reporting requirements. The Shenzhen Stock Exchange required Prof. Chen to be more attentive, correct the breach, and prevent recurrence.

(ii) Unreported related party transaction due to unnotified directorship (November 2018) Mr. Wu Feng, then an independent non-executive director of the Company, was appointed as an independent non-executive director of Tianjin Lishen Battery Co., Ltd. (津 電池股份有限公司), ("Tianjin Lishen") (a customer), making Tianjin Lishen a related party from December 2017. Wu Feng did not notify the Board, and the Board only approved and disclosed the related party transaction after business of RMB29.2 million had already occurred in October 2025 and Mr. Wu Feng resigned in the same month due to personal matters. The Board (including Prof. Chen) was required to address the oversight and prevent similar issues.

(iii) Delayed shareholding change disclosure by controlling shareholders (December 2020/January 2021) Prof. Chen and another controlling shareholder reduced their collective Company stake from about 26.49% to 20.81% (a decrease exceeding the 5% disclosure threshold) between August 2019 and November 2020, but delayed

disclosing this change and the related share sales until 27 November 2020. The delay occurred partly because Prof. Chen was unaware of the other shareholder's reduction. The Shenzhen CSRC and the Shenzhen Stock Exchange issued a warning, requiring better compliance going forward.

(iv) Failure to properly record insider information access (July 2020) In August 2021, the Company signed a significant sales contract but failed to accurately record all persons with access to insider information due to staff errors. The Shenzhen CSRC issued a warning letter to the Company, Prof. Chen (as Chairman), and the then Board secretary, instructing them to improve internal controls and prevent similar lapses.

Despite these incidents involving Prof. Chen, after conducting a comprehensive assessment (including understanding the nature of the Incident), the Company is of the view that the Decisions did not adversely affect Prof. Chen's suitability to act as an executive Director and chairman of the Board, and Prof. Chen possesses the experience, knowledge, and skills required to serve as a director of a listed company under Listing Rules 3.08 and 3.09, and the Decisions do not have any material adverse effect on the Company's suitability for listing on the Stock Exchange, for the following reason:

(i) according to the PRC Company Law and the rules of the Shenzhen Stock Exchange, the Decisions did not prohibit Prof. Chen from acting as a director or a

relationships, and implementing procedures to identify and record persons with access to inside information. The Company has established a comprehensive information disclosure management systems, including the following:

a. the "Information Disclosure Management Policy", which stipulates that when shares held by a company shareholder exceeding 5% are pledged, frozen, judicially auctioned, entrusted, placed in trust, or subject to legally restricted voting rights, such shareholder or the actual controller shall immediately notify the company and cooperate in fulfilling information disclosure obligations;

b. the "Connected Transaction Management Policy" to clearly define the scope of connected persons (including connected natural persons, connected legal persons, and potential connected persons). These systems require directors and senior management to promptly declare their connected relationships, strictly regulate the decision-making procedures for connected transactions and the information disclosure process; and

c. the "Insider Information Registration Policy", which clearly defines the scope of inside information and persons with access to such information. Pursuant such policy, the Company has established procedures for inside information approval and insider registration.

These systems will monitor and manage the information disclosure activities of the Group to prevent similar incidents happening to the Company. It includes a clear review process to ensure the accuracy and truthfulness of disclosures, involving coordinated reviews by multiple departments (such as the Board office, legal department, finance department and relevant business units and functional departments), including the secretary to the Board. In addition, in reviewing the disclosure on certain transactions, Directors, including Independent non-executive Directors may seek independent professional advice at the cost of the Company to assist in reviewing and evaluating the relevant transactions; and

(v) the Company and the Directors will ensure compliance with all applicable laws and regulations, including but not limited to the Listing Rules, by timely consulting the Compliance Adviser and seeking independent legal and/or financial advice when necessary (especially before entering into any transaction or corporate action subject to Chapter 14 and Chapter 14A of the Listing Rules).

The Company confirms that the Shenzhen Stock Exchange and the CSRC have been notified of the rectification actions taken as described above and have raised no further objections or comments on such actions. The rectification measures have been fully implemented and the relevant regulatory authorities have not issued any further warnings, decisions or sanctions in relation to these matters since the dates of the original Decisions. The Company further confirms that the Decisions are final and conclusive. No appeals have been filed, and Prof. Chen and the Company have fully complied with the Decisions. The

relevant regulatory authorities have not issued any subsequent warnings, sanctions or enforcement actions in relation to the Incidents, and the matters are therefore considered closed.

In light of the above reasons, the Directors are of the view that the Incidents revealed in the Decisions were immaterial and Prof. Chen is suitable to serve as a director of a listed company under Rules 3.08 and 3.09 of the Listing Rules. Based on the independent due

by Directors and their close associates. The Company has established a comprehensive information disclosure management systems, including the following:

The “Insider Information Registration Pol icy”, which clearly defines the scope of inside information and persons with access to such information. Pursuant such policy, the Company has established procedures for inside information approval(which)-302

JOINT COMPANY SECRETARIES

Mr. Li Sheng ( ), aged 40, was appointed as one of our joint company secretaries in June 2025 with effect from the [REDACTED]. For Mr. Li's biography, please see "— Senior Management" of this section.

Ms. Jian Xuegen (雪), aged 39, was appointed as one of our joint company secretaries in June 2025 with effect from the [REDACTED]. Ms. Jian is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited.

Ms. Jian obtained her bachelor's degree in accounting from South China University of Technology (南 工) in PRC in July 2008. She is a member of the Hong Kong Institute of Certified Public Accountants. She is also a member of the Chinese Institute of Certified Public Accountants.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Our Board delegates certain responsibilities to various committees. We have established four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and Development Management Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review connected transactions, and provide advice and comments to the Board. The Audit Committee comprises three members, namely Dr. Lin Zhiwei, Mr. Tang Changjiang, and Mr. Zhu Bide, with Dr. Lin Zhiwei (being an independent non-executive Director with the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules) as chairperson of the Audit Committee.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses, and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises three members, namely Mr. Tang Changjiang, Dr. Lin Zhiwei, and Mr. Xu Liqiang, with Mr. Tang Changjiang as chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

Board diversity

Our Company [has] adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity of the Board. Our Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of our Group, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, engineering, and finance and accounting. They received degrees in various majors including electronic technology, materials, business administration, accounting and engineering. We have both male and female members serving on the Board currently. Furthermore, the Board has a relatively wide range of ages, ranging from 40 years old to 70 years old. The Board is of the view that the Board satisfies the Board Diversity Policy.

The Nomination Committee is responsible for reviewing the diversity of the Board. Upon the [REDACTED], the Nomination Committee will from time to time review the Board Diversity Policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will disclose the biographical details of each Director and plans to report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in our annual corporate governance report. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We plan to offer all-rounded training to female employees whom we consider to have the suitable experience, skills, and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance, and research and development. We are of the view that such a strategy will offer chances for the Board to identify more capable female employees to be nominated as a member of the Board in future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run.

Management presence

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a

COMPLIANCE ADVISOR

We have appointed Goldlink Capital (Corporate Finance) Limited as our compliance advisor (the "Compliance Advisor") pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

- before the publication of any regulatory announcement, circular, or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development, or results of our Group deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [REDACTED] of our listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the [REDACTED] Date and is expected to end on the date on which we comply with Rule

So far as our Directors are aware, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the following persons will have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group:

						(1)(2)	
			(%)			(%)	(%)
Prof. Chen[3]	Beneficial owner	170,489,491	12.67	170,489,491 A Shares		12.67	[REDACTED]
	Interest of spouse	346,700	0.03	346,700 A Shares		0.03	[REDACTED]
Ms. Chen[3]	Beneficial owner	346,700	0.03	346,700 A Shares		0.03	[REDACTED]
	Interest of spouse	170,489,491	12.67	170,489,491 A Shares		12.67	[REDACTED]

Notes:

(1) All interest stated are long positions.

(2) The table above assumes (i) the [REDACTED] becomes unconditional and the [REDACTED] are issued pursuant to the [REDACTED] and (ii) the [REDACTED] is not exercised.

(3) Ms. Chen is the spouse of Prof. Chen. As such, by virtue of the SFO, each of Prof. Chen and Ms. Chen is deemed to be interested in the Shares held by the other.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group.

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

As at the Latest Practicable Date, our share capital was RMB1,345,710,639, comprising 1,345,710,639 A Shares with a nominal value of RMB1.00 each.

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

		(%)
A Shares in issue	1,345,710,639	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
		100.00

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is fully exercised) the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

		(%)
A Shares in issue	1,345,710,639	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
		100.00

Upon the completion of the [REDACTED], our Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC.

A Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司 內 上市股份▫ 「全流通」 務指引》 announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As at the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

Approval from holders of A Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the shareholders' general meeting of our Company held on 21 May 2025 and is subject to the following major conditions:

(i) Size of the [REDACTED]: The proposed number of H Shares to be [REDACTED] shall not exceed approximately [REDACTED]% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be issued pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].

(ii) Method of [REDACTED]: The method of [REDACTED] shall be by way of an [REDACTED] to institutional investors and a [REDACTED] for subscription in Hong Kong.

(iii) Target investors: The H Shares shall be issued to overseas institutional investors, corporations and individual investors, as well as qualified domestic institutional investors and other investors who fulfil the relevant laws and regulations.

(iv) Price determination basis: The [REDACTED] of the H Shares will be determined by the Board and its authorised person with the authorization of the Shareholders' general meetings, together with the [REDACTED], after full consideration of the interests of existing Shareholders, investors of our Company and the conditions of domestic and international capital markets conditions with reference to the international practices, the general valuation level of the industry in which our Company operates, and through demands for orders and book-building process.

(v) Valid period: The issue and [REDACTED] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders' meeting. If the Company obtains approval from the relevant regulatory authorities for the [REDACTED] within the 24 months, the authorization period shall automatically be extended to the later of the completion date of this issuance and the [REDACTED] or the exercise date of the [REDACTED] (if applicable). There are no other approved [REDACTED] plans for our Shares except the [REDACTED].

For details of circumstances under which our Shareholders' general meeting is required, please see "Summary of Articles of Association of the Company" in Appendix III to this document.

Certain directors and employees of our Company and our subsidiaries are eligible for interests of our Shares through the incentive plans of our Company. For details, please see "Appendix IV — Statutory and General Information — (D) Share Incentive Plans" in this document.

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Upon the completion of the [REDACTED], our Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC.

A Shares and H Shares shall carry the same rights in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (H
announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As at the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

Approval from holders of A Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the shareholders' general meeting of our Company held on 21 May 2025 and is subject to the following major conditions:

(i) Size of the [REDACTED]: The proposed number of H Shares to be [REDACTED] shall not exceed approximately [REDACTED]% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be issued pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].

[REDACTED] expenses we expect to incur would consist of (i) approximately HK$[REDACTED] [REDACTED] related expenses and fees (including [REDACTED], SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), and (ii) approximately HK$[REDACTED] non-[REDACTED]-related expenses and fees (including (a) fees and expenses of legal advisors and accountants of approximately HK$[REDACTED] and (b) other fees and expenses of HK$[REDACTED]).

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

The Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to "Unaudited [REDACTED] Financial Information" set out in Appendix IIA to this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

For the eleven months ended 30 November 2025, we recorded an increase in revenue

[REDACTED] expenses we expect to incur would consist of (i) approximately HK$[REDACTED] [REDACTED] related expenses and fees (including [REDACTED], SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), and (ii) approximately HK$[REDACTED] non-[REDACTED]-related expenses and fees (including (a) fees and expenses of legal advisors and accountants of approximately HK$[REDACTED] and (b) other fees and expenses of HK$[REDACTED]).

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

The Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to "Unaudited [REDACTED] Financial Information" set out in Appendix IIA to this document.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

For the eleven months ended 30 November 2025, we recorded an increase in revenue

[REDACTED] expenses we expect to incur would consist of (i) approximately HK$[REDACTED] [REDACTED] related expenses and fees (including [REDACTED], SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), and (ii) approximately HK$[REDACTED] non-[REDACTED]-related expenses and fees (including (a) fees and expenses of legal advisors and accountants of approximately HK$[REDACTED] and (b) other fees and expenses of HK$[REDACTED]).

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

The Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to "Unaudited [REDACTED] Financial Information" set out in Appendix IIA to this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

For the eleven months ended 30 November 2025, we recorded an increase in revenue

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		31			30 p	
		2022	**2023**	**2024**	**2024**	**2025**
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					( )	
Revenue	5	2,866,718	2,981,863	3,506,153	2,577,816	2,931,610
Cost of sales	8	(1,581,850)	(1,691,456)	(2,521,858)	(1,804,613)	(2,305,963)
p		1,284,868	1,290,407	984,295	773,203	625,647
Other income	6	82,033	213,294	182,866	158,586	140,400
Net impairment losses recognised on financial assets		(14,854)	(12,729)	(62,760)	(9,162)	(1,818)

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Net Profit Margin

See "— Results of Operations" for a discussion of the factors affecting our net profit margin during the Track Record Period.

Return on Equity

Our return on equity decreased from 6.4% in 2023 to 3.7% in 2024, primarily due to (i) a decrease in net profit and (ii) an increase in total equity.

Current Ratio

Our current ratio decreased from 2.9 as at 31 December 2022 to 1.8 as at 31 December 2023, decreased to 1.2 as at 31 December 2024 and further decreased to 0.9 as at 30 September 2025, primarily due to an increase in borrowings mainly for construction of manufacturing bases.

Liability-to-asset Ratio

Our liability-to-asset ratio increased from 37.4% as at 31 December 2022 to 44.5% as at 31 December 2023, increased to 56.9% as at 31 December 2024, and further increased to 60.8% as at 30 September 2025, primarily due to an increase in borrowings mainly for construction of manufacturing bases.

Gearing Ratio

Our gearing ratio increased from 40.7% as at 31 December 2022 to 60.8% as at 31 December 2023, increased to 107.3% as at 31 December 2024, and further increased to 128.7% as at 30 September 2025, primarily due to an increase in borrowings to support the construction of our manufacturing bases and supplement our working capital.

Interest Coverage Ratio

Our interest coverage ratio decreased from 13.8 in 2022 to 8.4 in 2023, primarily due to a decrease in profit before finance costs and income tax expenses resulting from an increase in general and administrative expenses.

Our interest coverage ratio further decreased to 4.1 in 2024 and decreased from 4.9 in the nine months ended 30 September 2024 to 1.8 in the nine months ended 30 September 2025, primarily due to (i) a decrease in profit before finance costs and income tax expenses resulting from an increase in cost of sales and (ii) an increase in finance costs resulting from an increase in interest expense on bank borrowings.

RELATED PARTY TRANSACTIONS

Our Directors confirm that each of the related party transactions set out in Note 38 of the Accountant's Report in Appendix I to this document were conducted on arm's length basis and on normal commercial terms, which are considered fair, reasonable and in the interest of our Shareholders as a whole.

For details of such transactions, please see Note 38 of the Accountants Report in Appendix I to this document.

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Our capital expenditure primarily consisted of (i) payment and prepayment for purchase of property, plant and equipment related to the construction of our manufacturing bases, (ii) purchase of intangible assets, and (iii) additions to right-of-use assets. The table below sets forth our capital expenditures for the periods indicated.

	31			30 p
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payment and prepayment for purchase of property, plant and equipment . . .	2,346,873	3,950,726	4,548,570	2,886,554
Purchase of intangible assets	474	293	4,058	14,051
Additions to right-of-use assets	1,176	258,750	—	27,566
l.	**2,348,523**	**4,209,769**	**4,552,628**	**2,928,171**

Our capital expenditures were RMB2,348.5 million, RMB4,209.8 million, RMB4,552.6 million and RMB2,928.2 million in 2022, 2023, 2024 and the nine months ended 30 September 2025, respectively. We expect to incur additional capital expenditures in 2025 primarily for purchases of property, plant and equipment. We plan to finance such capital expenditures through cash generated from our operations, bank loans and the net [REDACTED] from the [REDACTED]. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition.

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As at 31 December 2022, 2023 and 2024 and 30 September 2025, our capital commitments amounted to RMB3,777.5 million, RMB3,517.0 million, RMB4,780.6 million and RMB2,912.8 million, primarily related to the construction of our manufacturing bases.

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Save as disclosed in Note 7 of the Accountants' Report in Appendix I to this document, as at 31 December 2022, 2023 and 2024 and 30 September 2025, we did not have any other material contingent liabilities. As at the Latest Practicable Date, there have been no material changes to our contingent liabilities.

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As at the Latest Practicable Date, we did not enter into any off-balance sheet transactions or arrangements.

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We are exposed to various types of financial risks in the ordinary course of our business, including foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. For more information, please see Note 41 of the Accountants' Report in Appendix I to this document.

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

We are exposed to equity price risk mainly arising from listed equity investments held by us that are classified as FVTPL. To manage its price risk arising from investments, we diversify our portfolio. Diversification of the portfolio is done in accordance with the limits set by us. Each investment is managed by senior management on a case-by-case basis.

Our interest rate risk primarily arises from long-term interest-bearing borrowings, corporate bonds and lease liabilities. Long-term borrowings issued at variable rates expose us to cash flow interest rate risk. Long-term borrowings issued at fixed rates, corporate bonds and lease liabilities bearing fixed rates expose us to fair value interest rate risk.

We have been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact our performance.

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss. Our exposure to credit risk mainly arises from granting credit to customers in the ordinary course of our operations and from our investing activities.

Our maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortised cost and trade and notes receivables measured at FVTOCI as disclosed in Note 40 of the Accountants' Report in Appendix I to this document. We do not hold any collateral or other credit enhancements to cover our credit risks associated with its financial assets.

We aim to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

We have a formal dividend policy. Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No.3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025) (《上市公司監管指引第3號 — 上市公司 金分紅(2025年)》), and Articles 168 through 175 of the Articles of Association, in principle, we shall distribute dividends in cash. The profit distributed in cash in any single year shall not be less than 10% of the distributable profit realised for that year. Within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realised in the latest three years. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions, and shall be approved at our general meeting.

Any future plan to pay dividends will be made at the discretion of our Board of Directors subject to approval of our Shareholders. Any declaration as well as the amount of such declaration and payment will be subject to our Articles of Association and the relevant laws. Even if we decide to pay dividends, the form, frequency and amount 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.

During the Track Record Period, we declared and paid dividends to our Shareholders as follows:

	31			30 p	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Final dividends.	38,420	127,931	295,382	295,382	66,595

B AB

As at 30 September 2025, we had retained earnings of RMB2,019.5 million under IFRS Accounting Standards, as reserves available for distribution to our shareholders.

A -

[REDACTED] expenses represent professional fees, [REDACTED] and fees incurred in connection with the [REDACTED] and the [REDACTED]. Our [REDACTED] expenses are estimated to be approximately HK%0292-5.4(i)-1.6(al)--4.7K9(H)2.8o-549(d)-3.mexpe1sestdp[R

[REDACTED] expenses we expect to incur would consist of (i) approximately HK$[REDACTED] [REDACTED] related expenses and fees (including [REDACTED], SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), and (ii) approximately HK$[REDACTED] non-[REDACTED]-related expenses and fees (including (a) fees and expenses of legal advisors and accountants of approximately HK$[REDACTED] and (b) other fees and expenses of HK$[REDACTED]).

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

The Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

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Please refer to "*U [REDACTED] F I r* " set out in Appendix IIA to this document.

A A A A A

For the eleven months ended 30 November 2025, we recorded an increase in revenue

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer A	847,668	795,237	460,389	375,212	367,419
Customer B	387,124	N/A*	N/A*	N/A*	434,898
Customer C	N/A*	367,031	373,020	304,280	386,397
Customer D	N/A*	N/A*	N/A*	N/A*	356,974
	1,234,792	1,162,268	833,409	679,492	1,545,688

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year/period.

6. OTHER INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Government grants (Note)	27,877	101,801	84,463	83,151	81,361
Value-added tax (VAT) reduction	—	8,800	11,330	10,695	4,363
Interest income	42,203	88,776	66,283	50,655	41,382
Rental income	1,111	6,513	13,045	10,708	10,453
Others	10,842	7,404	7,745	3,377	2,841
	82,033	213,294	182,866	158,586	140,400

Note:

During the Track Record Period, government grants without unfulfilled condition or contingencies were approximately RMB14,968,000, RMB75,081,000, RMB50,619,000, RMB50,360,000 (unaudited) and RMB32,062,000, respectively.

During the Track Record Period, the amount of amortisation of deferred government grants were approximately RMB12,909,000, RMB26,720,000, RMB33,844,000, RMB32,791,000 (unaudited), and RMB49,299,000, respectively.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As at the Latest Practicable Date, our share capital was RMB1,345,710,639, comprising 1,345,710,639 A Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,345,710,639	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is fully exercised) the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
A Shares in issue	1,345,710,639	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer A	847,668	795,237	460,389	375,212	367,419
Customer B	387,124	N/A*	N/A*	N/A*	434,898
Customer C	N/A*	367,031	373,020	304,280	386,397
Customer D	N/A*	N/A*	N/A*	N/A*	356,974
	1,234,792	1,162,268	833,409	679,492	1,545,688

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year/period.

6. OTHER INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Government grants (Note)	27,877	101,801	84,463	83,151	81,361
Value-added tax (VAT) reduction	—	8,800	11,330	10,695	4,363
Interest income	42,203	88,776	66,283	50,655	41,382
Rental income	1,111	6,513	13,045	10,708	10,453
Others	10,842	7,404	7,745	3,377	2,841
	82,033	213,294	182,866	158,586	140,400

Note:

During the Track Record Period, government grants without unfulfilled condition or contingencies were approximately RMB14,968,000, RMB75,081,000, RMB50,619,000, RMB50,360,000 (unaudited) and RMB32,062,000, respectively.

During the Track Record Period, the amount of amortisation of deferred government grants were approximately RMB12,909,000, RMB26,720,000, RMB33,844,000, RMB32,791,000 (unaudited), and RMB49,299,000, respectively.

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We report on the historical financial information of Shenzhen Senior Technology Material Co., Ltd. (the "") and its subsidiaries (together, the "") set out on pages I-[4] to I-[•], which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 30 September 2025, the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025 (the "") and material accounting policy information and other explanatory information (together, the ""). The Historical Financial Information set out on page I-[4] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "") in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (" "). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of

Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board (" "). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

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Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note [12] to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

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C r P A
•
Practising Certificate Number: [•]
Hong Kong
[Date]

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (" ") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by IAASB (" ").

The Historical Financial Information is presented in Renminbi (" ") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

		31			30	
		2022	2023	2024	2024	2025
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					( )	
Revenue	5	2,866,718	2,981,863	3,506,153	2,577,816	2,931,610
Cost of sales	8	(1,581,850)	(1,691,456)	(2,521,858)	(1,804,613)	(2,305,963)
		1,284,868	1,290,407	984,295	773,203	625,647
Other income	6	82,033	213,294	182,866	158,586	140,400
Net impairment losses recognised on financial assets		(14,854)	(12,729)	(62,760)	(9,162)	(1,818)

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		As at 31 December			As at 30 June
		2022	2023	2024	2025
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	14	5,773,657	8,570,012	13,009,505	16,727,173
Right-of-use assets	15(a)	347,001	591,537	850,810	901,045
Intangible assets	16	6,378	5,276	7,844	19,745
Investments in associates and joint venture	17	64,969	5,118	49,589	11,616
Financial assets at fair value through profit or loss	18(a)	300	64,212	76,982	79,065
Financial assets at fair value through other comprehensive income	19	—	—	—	18,816
Time deposits	24	—	—	51,562	50,979
Prepayments, other receivables and other assets	22	691,873	1,279,387	1,533,439	464,607
Deferred income tax assets	26	34,511	11,393	23,723	67,968
		6,918,689	10,526,935	15,603,454	18,341,014
Inventories	20	283,702	396,864	518,063	709,531
Trade and notes receivables	21	1,492,299	1,773,249	2,376,056	2,558,106
Prepayments, other receivables and other assets	22	219,449	419,819	357,903	476,368
Amounts due from related parties	38(c)	—	—	6	481
Prepaid income tax		13,154	5,023	20,483	3,621
Financial assets at fair value through profit or loss	18(a)	1,555,872	870,638	299,367	236,473
Financial assets at fair value through other comprehensive income	19	87,503	79,585	292,318	306,162
Restricted bank deposits	23	153,777	145,402	485,496	551,559
Time deposits	24	1,682,786	1,983,538	541,635	540,113
Cash and cash equivalents	25	1,293,953	1,744,409	2,650,754	1,951,489
		6,782,495	7,418,527	7,542,081	7,333,903
Trade and notes payables	27	540,104	478,454	532,281	671,392
Financial liabilities at fair value through profit or loss	18(b)	—	—	—	15,860
Contract liabilities		2,349	3,577	4,333	1,387
Other payables and accruals	28	668,029	899,443	1,382,915	1,428,559
Amounts due to related parties	38(c)	—	119	635	2,139
Borrowings	29	1,079,663	2,598,947	4,105,067	5,687,855
Lease liabilities	15(b)	3,510	3,862	18,646	71,476
Income tax payable		35,934	37,770	17,145	35,147
		2,329,589	4,022,172	6,061,022	7,913,815
		4,452,906	3,396,355	1,481,059	(579,912)
		11,371,595	13,923,290	17,084,513	17,761,102

					30
			31		
		2022	**2023**	**2024**	**2025**
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other payables and accruals	28	334,397	476,520	498,058	481,386
Borrowings	29	2,370,378	3,411,636	6,278,987	6,902,852
Lease liabilities	15(b)	38,261	37,134	299,858	291,261
Deferred income tax liabilities	26	45,460	39,223	36,488	24,352
		2,788,496	3,964,513	7,113,391	7,699,851
		8,583,099	9,958,777	9,971,122	10,061,251
Share capital and treasury shares	30	1,180,240	1,255,985	1,280,192	997,366
Reserves	32	7,255,122	8,537,690	8,518,946	8,865,793
Equity attributable to owners of the Company		8,435,362	9,793,675	9,799,138	9,863,159
Non-controlling interests		147,737	165,102	171,984	198,092
		8,583,099	9,958,777	9,971,122	10,061,251

	N	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Property, plant and equipment	14	732,779	838,139	842,682	851,427
Right-of-use assets	15(a)	59,549	57,811	61,998	58,166
Intangible assets	16	4,109	3,289	2,598	4,492
Investments in associates and joint venture	17	64,969	5,118	49,589	11,616
Investments in subsidiaries	36	3,579,916	4,502,627	4,783,627	8,433,200
Financial assets at fair value through profit or loss	18(a)	—	63,912	76,682	78,765
Financial assets at fair value through other comprehensive income	19	—	—	—	18,816
Time deposits	24	—	—	20,864	20,979
Prepayments, other receivables and other assets	22	36,923	195,397	175,953	78,700
Deferred income tax assets	26	19,456	—	2,850	22,003
		4,497,701	5,666,293	6,016,843	9,578,164
Inventories	20	56,565	77,818	82,864	64,136
Trade and notes receivables	21	937,402	1,164,844	1,660,434	1,538,768
Amounts due from subsidiaries and related parties	38(c)	773,257	1,160,218	4,241,550	3,493,593
Prepayments, other receivables and other asset	22	80,574	18,438	28,807	49,887
Prepaid income tax		13,154	5,023	4,480	—
Financial assets at fair value through profit or loss	18(a)	1,443,765	810,280	229,367	—
Financial assets at fair value through other comprehensive income	19	61,466	55,007	266,001	270,441
Restricted bank deposits	23	95,644	81,927	437,654	457,247
Time deposits	24	1,200,343	1,781,762	50,797	135,713
Cash and cash equivalents	25	627,372	1,029,618	995,122	656,123
		5,289,542	6,184,935	7,997,076	6,665,908
Trade and notes payables	27	232,168	225,970	89,250	157,463
Financial liabilities at fair value through profit or loss	18(b)	—	—	—	15,860
Contract liabilities		2,021	3,273	3,901	338
Amounts due to subsidiaries and related parties	38(c)	1,510,877	2,474,270	4,404,438	5,694,117
Other payables and accruals	28	149,941	268,345	114,026	266,262
Borrowings	29	107,094	351,425	702,489	1,120,446
Lease liabilities	15(b)	44	—	2,655	2,728
		2,002,145	3,323,283	5,316,759	7,257,214
		3,287,397	2,861,652	2,680,317	(591,306)
		7,785,098	8,527,945	8,697,160	8,986,858

		31			30
		2022	2023	2024	2025
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other payables and accruals	28	45,613	48,762	56,520	52,489
Borrowings	29	410,438	310,000	469,000	1,114,000
Lease liabilities	15(b)	—	—	4,166	2,111
Deferred income tax liabilities	26	535	—	—	—
		456,586	358,762	529,686	1,168,600
		7,328,512	8,169,183	8,167,474	7,818,258
Share capital and treasury shares	30	1,180,240	1,255,985	1,280,192	997,366
Reserves	32	6,148,272	6,913,198	6,887,282	6,820,892
		7,328,512	8,169,183	8,167,474	7,818,258

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2022	768,409	(31,067)	2,625,083	(7,284)	90,862	820,757	4,266,760	115,446	4,382,206
Profit for the year	—	—	—	—	—	719,272	719,272	28,291	747,563
Other comprehensive income for the year	—	—	—	6,725	—	—	6,725	—	6,725
	—	—	—	6,725	—	719,272	725,997	28,291	754,288

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	N 30	*N 30*	*(N ( ))*	*(N ( ))*	*(N ( ))*				
1 2024	1,345,107	(89,122)	6,438,249	58,571	109,494	1,931,376	9,793,675	165,102	9,958,777

	31			30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Profit before income tax	847,929	717,048	407,019	401,767	127,478
Adjustments for:					
Share of results of associates and joint venture, net	1,622	1,940	1,349	2,018	(75)
Depreciation of property, plant and equipment *(N 14)*	367,022	445,559	598,297	410,851	617,272
Depreciation of right-of-use assets *(N 15)*	3,214	4,485	9,534	6,920	11,359
Amortisation of intangible assets *(N 16)*	1,452	1,397	1,489	1,053	2,159
Investment income from financial assets at fair value through profit or loss *(N 7)*	(9,356)	(38,720)	(20,175)	(18,916)	(83,950)
Net fair value (gains)/losses on financial assets at fair value through profit or loss *(N 7)*	(5,672)	(3,636)	9,666	7,482	8,818
Net (gains)/losses on disposal of property, plant and equipment *(N 7)*	(500)	850	2,248	425	13,446
Net impairment losses (reversed)/ recognised on inventories *(N 8)*	(2,411)	19,142	3,242	(10,808)	5,471
Finance costs *(N 10)*	66,371	96,611	132,538	104,024	153,276
Net impairment losses recognised on trade and notes receivables and other receivables	14,854	12,729	62,760	9,162	1,818
Share-based payment expenses *(N 31)*	34,904	4,811	11,982	12,541	41,936
Amortisation of deferred government grants *(N 6)*	(12,909)	(26,720)	(33,844)	(32,791)	(49,299)
Net foreign exchange (gains)/losses *(N 7)*	(22,051)	(1,019)	(27,138)	(6,866)	27,451
Operating profit before working capital change	1,284,469	1,234,477	1,158,967	886,862	877,160
Increase in trade and notes receivables	(404,164)	(294,150)	(861,047)	(430,293)	(214,222)
Increase in prepayments and other receivables	(81,943)	(163,972)	(395,356)	(311,034)	(182,519)
(Increase)/Decrease in inventories	(12,464)	(132,650)	(123,772)	19,688	(199,072)
Increase/(decrease) in trade and notes payables	225,620	(61,650)	53,827	133,454	139,112
Increase in other payables and accruals	367,761	647,395	622,516	78,534	133,725
(Decrease)/increase in contract liabilities	(14,335)	1,228	756	3,073	(2,947)
	1,364,944	1,230,678	455,891	380,284	551,237
Income tax paid	(71,944)	(96,604)	(87,447)	(45,365)	(8,502)
	1,293,000	1,134,074	368,444	334,919	542,735

	31			30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Payment and prepayment for purchase of property, plant and equipment	(2,346,873)	(3,950,726)	(4,548,570)	(3,088,863)	(2,886,554)
Proceeds from disposal of property, plant and equipment	900	49	16,710	1	1,416
Purchase of intangible assets	(474)	(293)	(4,058)	(2,846)	(14,051)

		31			30	
		2022	2023	2024	2024	2025
	N	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					( )	
Capital injection by a non-controlling shareholder		4,000	—	—	—	—
Proceeds from issue of shares		3,478,623	824,362	—	—	22,593
Proceeds from issue of restricted shares		47,269	10,801	—	—	—
Repurchase of restricted shares		(425)	(535)	(25,660)	(570)	(12,456)
Proceeds from bank borrowings	35	2,576,386	1,927,016	4,442,584	3,718,533	2,507,631
Repayment of bank borrowings	35	(1,288,639)	(489,176)	(1,259,051)	(763,806)	(1,379,131)
Interest paid	35	(96,090)	(154,279)	(245,492)	(155,061)	(171,008)
Proceeds from other borrowings	35	630,176	1,528,786	2,593,090	1,642,532	1,553,353
Repayment of other borrowings	35	(795,300)	(414,671)	(1,418,330)	(1,535,932)	(591,106)
Principal portion of lease payments	35	(3,873)	(2,402)	(7,494)	(3,714)	(17,666)
Dividends paid to the owners of the Company		(38,420)	(127,931)	(295,382)	(295,382)	(66,595)
Payment on repurchase of shares		(50,775)	—	—	—	(299,983)
Payment of [REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Receipt from maturity of pledged bank deposits		295,889	448,428	141,940	83,461	798,571
Placement of pledged bank deposits		(130,615)	(469,077)	(895,189)	(473,422)	(864,634)
		4,628,206	3,081,322	3,031,016	2,216,639	1,466,762
/( )		624,664	423,885	955,225	1,744,614	(681,239)
Cash and cash equivalents at beginning of year/period		651,226	1,293,953	1,744,409	1,744,409	2,650,754
Effect of foreign exchange rate changes, net		18,063	26,571	(48,880)	(21,666)	(18,026)
/	25	1,293,953	1,744,409	2,650,754	3,467,357	1,951,489

1.

The Company was a limited liability company incorporated in the PRC on 17 September 2003 and changed to a joint stock limited company on 3 September 2008. The Company's A shares are listed on Shenzhen Stock Exchange on 1 November 2016. The address of the Company's registered office and its principal place of business is Gongming office, Guangming District, Shenzhen City, Guangdong Province, Tianyuan Road North, the PRC.

During the Track Record Period, the Company and its subsidiaries are principally engaged in the research and development, production and sales of lithium-ion battery separators applied in the field of new energy, new materials and new energy vehicles.

The Company has a diversified shareholder structure. Among them, as a natural person shareholder, Chen Xiufeng holds 12.70% of the company's shares and is the largest individual shareholder of the company. In this Historical Financial Information, certain English n

3.1

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards — Volume 11[1]

1 Effective for accounting periods beginning on or after 1 January 2026
2 Effective for accounting periods beginning on or after 1 January 2027
3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

1

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

3.2

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on sales of intra-group assets are reversed in consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets, respectively.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from there translation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Properties and buildings	20–40 years
Machinery	5–10 years
Transportation equipment	10 years
Administrative equipment	5–10 years
Experiments and other equipment	5–10 years

The land purchased by the Group overseas with permanent property rights is recognised as freehold land and is not depreciated.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Accounting policies of right-of-use assets (other than prepaid lease payments) are set out in "Leases" below.

Prepaid land lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease/right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of assets.

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The useful lives are as follows:

Software	5 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

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Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss (" "), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

— amortised cost;

— FVTPL; or

— Fair value through other comprehensive income (" ").

The classification is determined by both:

— the Group's business model for managing the financial asset; and

— the contractual cash flow characteristics of the financial asset.

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Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

— they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

— the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, time deposits, cash and cash equivalents, trade and notes receivables, other receivables fall into this category of financial instruments.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, notes receivables, and other financial assets measured at amortised cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this general model approach, a distinction is made between:

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

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Cash and bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

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For trade and notes receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each year/period for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade and notes receivables with significant outstanding balances which are assessed individually, the remaining trade and notes receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating,

— significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;

— existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

— an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade and notes receivables, contract assets, other financial assets measured at amortised cost and trade and notes receivables measured at FVTOCI are set out in Note 41.

Financial liabilities

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The Group's financial liabilities include trade and notes payables, other payables and accruals, borrowings, financial liability at FVTPL and lease liabilities.

Financial liabilities (other than

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and notes payables, other payables and accruals are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of semi-finished goods and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 25.

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measur

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each year/period for the Track Record Period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's investments in subsidiaries, associates and joint venture.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Retirement benefits

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Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

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Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed is incurred.

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Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

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The Group operates share-based compensation plans for remuneration of its employees including share award schemes.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at ttcha

When different tax rates apply to different levels of taxable income, deferred income tax assets and

Inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situation.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each year/period for the Track Record Period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value is disclosed in Note 40.

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgements are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

As disclosed in Note 31, the Group granted shares to the Group's employees, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of Share-based compensation expenses.

The directors of the Company calculate the fair value of each awarded restricted shares based on the most recent transaction price of the Company's shares at the grant date. Significant estimate on assumptions was made based on management's best estimates.

Property, plant and equipment, intangible assets with finite useful lives and right-of-use assets are stated at costs less accumulated depreciation or amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“ ”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

5.

The Group’s principal activities are disclosed in Note 1 to the Historical Financial Information.

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(	*)*
— Mainland China	2,323,027	2,512,646	3,105,179	2,265,971	2,533,089
— Other countries/regions	543,691	469,217	400,974	311,845	398,521
	2,866,718	2,981,863	3,506,153	2,577,816	2,931,610

The geographical location of the Group's non-current assets (excluding deferred income tax assets and financial assets), mainly comprised of the property, plant and equipment, is based on the physical location of these assets. As at the end of each year/period for the Track Record Period, the geographical location of the Group's non-current assets are as follows.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(			*)*
— Mainland China	6,472,212	9,613,343	11,573,991	11,015,829
— Sweden	411,666	818,411	1,804,924	2,686,305
— Malaysia	—	—	1,418,128	3,484,480
— the United States	—	—	395,430	831,648
— Other countries/regions	—	19,576	258,714	105,924
	6,883,878	10,451,330	15,451,187	18,124,186

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(	*)*
Customer A	847,668	795,237	460,389	375,212	367,419
Customer B	387,124	N/A*	N/A*	N/A*	434,898
Customer C	N/A*	367,031	373,020	304,280	386,397
Customer D	N/A*	N/A*	N/A*	N/A*	356,974
	1,234,792	1,162,268	833,409	679,492	1,545,688

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year/period.

6.

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(	*)*
Government grants *(N)*	27,877	101,801	84,463	83,151	81,361
Value-added tax (VAT) reduction	—	8,800	11,330	10,695	4,363
Interest income	42,203	88,776	66,283	50,655	41,382
Rental income	1,111	6,513	13,045	10,708	10,453
Others	10,842	7,404	7,745	3,377	2,841
	82,033	213,294	182,866	158,586	140,400

N :

During the Track Record Period, government grants without unfulfilled condition or contingencies were approximately RMB14,968,000, RMB75,081,000, RMB50,619,000, RMB50,360,000 (unaudited) and RMB32,062,000, respectively.

During the Track Record Period, the amount of amortisation of deferred government grants were approximately RMB12,909,000, RMB26,720,000, RMB33,844,000, RMB32,791,000 (unaudited), and RMB49,299,000, respectively.

7. ( ),

	31			30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* ( )	*RMB'000*
Investment income of financial assets at FVTPL	9,356	38,720	20,175	18,916	83,950
Net foreign exchange gains/(losses)	22,051	1,019	27,138	6,866	(27,451)
Net fair value gains/(losses) from changes in fair value of financial assets and liabilities at FVTPL	5,672	3,636	(9,666)	(7,482)	(8,818)
Net gains/(losses) on disposal of property, plant and equipment	500	(850)	(2,248)	(425)	(13,446)
Settlement expenses for litigation *(N)*	—	(107,657)	—	—	—
Others	648	1,820	1,079	1,360	(7,310)
	38,227	(63,312)	36,478	19,235	26,925

N :

During September 2019 to November 2023, the Group and its subsidiaries received litigations against them in the United States ("US") and the United Kingdom ("UK") by a competitor for alleged infringement, illegal acquisition of trade secrets, and unfair competition. The competitor requested the US and UK courts to grant injunction for the Group from selling related products in the relevant markets and to determine appropriate compensation based on the judgement. During this period and as at 31 December 2022, the directors of the Company believed that the allegations did not have merits, and sought courts dismissal of the original claims and pursued counterclaims. The Group has also filed charges of infringement and unfair competition against this and other competitors in the Chinese courts.

In order to avoid lengthy legal proceedings occupying the resources of the Group and hindrance in the Group's normal business development in the relevant markets, settlement agreement was finally reached with the competitor and where the Group would pay the competitor approximately USD15 million, (RMB107,657,000 in equivalent), and all parties completed the withdrawal of all legal proceedings in November 2023 and mutually authorised the use of relevant intellectual property rights.

For the year ended 31 December 2022 and as at 31 December 2022, the board of directors consider risk of financial loss resulted from losing the lawsuit is remote and no provision has been made accordingly.

Expenses included in cost of sales, research and development expenses, selling expenses and general and administrative expenses are analysed as follows:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Raw materials consumed and sales/ consumption of finished goods and semi-finished goods	869,286	803,792	1,363,975	1,014,113	1,096,470
Depreciation of property, plant and equipment *(N 14)*	367,022	445,559	598,297	410,851	617,272
Depreciation of right-of-use assets *(N 15)*	3,214	4,485	9,534	6,920	11,359
Amortisation of intangible assets *(N 16)*	1,452	1,397	1,489	1,053	2,159
Net impairment losses (reversed)/ recognised on inventories	(2,411)	19,142	3,242	(10,808)	5,471
Employee benefit expenses	386,083	467,325	514,137	365,394	503,408
Share-based payment expenses *(N 9)*	34,904	4,811	11,982	12,541	41,936
Energy and fuel costs	189,053	236,767	318,246	229,934	325,480
Logistics fees	40,907	49,944	75,166	33,454	36,637
Official and travel expenses	26,671	53,093	52,394	29,793	35,140
Tax and surcharges	19,793	28,256	34,964	23,133	29,000
Legal and professional fees	67,562	116,643	34,388	30,608	19,564
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditor's remuneration	1,500	1,800	1,800	1,350	1,350
Others	51,166	70,503	102,217	90,330	90,213
	2,056,202	2,303,517	3,121,831	2,238,666	2,816,438

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Salaries, allowances, discretionary bonuses and benefits in kind	433,850	549,432	637,713	452,374	530,670
Retirement scheme contributions	16,992	29,866	38,404	27,441	32,715
Share-based compensation expenses	34,904	4,811	11,982	12,541	41,936
	485,746	584,109	688,099	492,356	605,321

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	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 **2024**					
Prof. Chen Xiufeng (Chief executive)	—	2,442	52	—	2,494
Mr. Zhu Bide	—	80	—	—	80
Dr. ZHANG XIAOMIN	—	1,272	19	—	1,291
Mr. Liu Rui	—	1,424	29	475	1,928
Dr. Ju Xuecheng *(N ( ))*	53	—	—	—	53
Dr. Tang Changjiang *(N ( ))*	20	—	—	—	20
Dr. Lin Zhiwei	80	—	—	—	80
Ms. Sun Zhenzhen *(N ( ))*	80	—	—	—	80
Mr. Ding Zhiqiang	—	639	—	—	639
Mr. Li Bo	—	309	21	—	330
Ms. He Yanli	—	387	13	—	400
	233	6,553	134	475	7,395
30 **2024** (unaudited)					
Prof. Chen Xiufeng (Chief executive)	—	1,690	39	—	1,729
Mr. Zhu Bide	—	60	—	—	60
Dr. ZHANG XIAOMIN	—	810	18	—	828
Mr. Liu Rui	—	1,232	27	426	1,685
Dr. Ju Xuecheng *(N ( ))*	53	—	—	—	53
Dr. Lin Zhiwei	60	—	—	—	60
Ms. Sun Zhenzhen	60	—	—	—	60
Dr. Tang Changjiang *(N ( ))*	1	—	—	—	1
Mr. Ding Zhiqiang	—	388	—	—	388
Mr. Li Bo	—	193	16	—	209
Ms. He Yanli	—	176	10	—	186
	174	4,549	110	426	5,259

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 2025					
Prof. Chen Xiufeng (Chief executive)	—	1,150	42	—	1,192
Mr. Zhu Bide	—	173	—	—	173
Dr. ZHANG XIAOMIN	—	818	15	—	833
Mr. Liu Rui *(N ( ))*	—	318	15	445	778
Dr. Xu Liqiang *(N ( ))*	—	205	7	13	225

( )

During the years ended 31 December 2022, 2023 and 2024 and six months ended 30 September 2024 and 2025, the five highest paid individuals included 2, 1, 2 and 1, 1 directors, respectively, whose emoluments are reflected in Note 9(b) above. The aggregate emoluments payable to the remaining 3, 4, 3 and 4, 4 individuals during the years ended 31 December 2022, 2023 and 2024 and nine months ended 30 September 2024 and 2025 are as follows:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Salaries, allowances, discretionary bonuses and benefits in kind	7,077	7,845	4,636	3,570	3,663
Retirement scheme contributions	65	57	109	85	121
Share-based compensation expenses	2,946	132	4,386	1,609	14,839
	10,088	8,034	9,131	5,264	18,623

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individuals fell within the following bands:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
				( )	
HK$1,500,001–HK$2,000,000	—	2	—	3	2
HK$2,000,001–HK$2,500,000	—	1	—	1	1
HK$2,500,001–HK$3,000,000	1	—	2	—	—
HK$3,000,001–HK$3,500,000	—	1	—	—	1
HK$3,500,001–HK$4,000,000	1	—	—	—	—
HK$4,000,001–HK$4,500,000	1	—	—	—	—
HK$4,500,001–HK$5,000,000	—	—	1	—	—
	3	4	3	4	4

10.

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Interest expense on bank borrowings	50,385	67,320	92,064	88,097	125,764
Interest expense on other borrowings	15,973	29,291	37,927	14,575	24,501
Interest expense on lease liabilities *(N 35)*	13	—	2,547	1,352	3,011
	66,371	96,611	132,538	104,024	153,276

N :

During the Track Record Period, the amount of approximately RMB30,238,000, RMB66,255,000, RMB129,670,000, RMB71,289,000 (unaudited) and RMB78,952,000 finance costs on borrowings and lease liabilities, which funds were specifically invested in construction in progress, have been capitalised.

11. /( )

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Current income tax	104,433	106,571	51,364	51,765	43,366
Deferred income tax (credit)/charge *(N 26)*	(4,067)	16,782	(15,053)	(779)	(56,407)
	100,366	123,353	36,311	50,986	(13,041)

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

( ) (")

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries are calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year/period based on the existing legislations, interpretations and practices in respect thereof.

In 2020, the company was recognised as a "High and New Technology Enterprise" (" "), therefore enjoyed a preferential income tax rate of 15% in 2020 to 2022. The Company renewed its HNTE recognition in 2023 and enjoyed the 15% preferential income tax rate in 2023 to 2025.

In 2021, subsidiaries of the Group Hefei Senior New Energy Materials Co., Ltd, Changzhou Senior New Energy Materials Co., Ltd and Jiangsu Senior New Material Technology Co., Ltd were recognised as "HNTE", therefore enjoyed a preferential income tax rate of 15% in 2021 to 2023. The subsidiaries of the Group renewed HNTE recognition in 2024 and can enjoy the 15% preferential income tax rate in 2024 to 2026.

In 2023, the subsidiary of the Group, Senior Material (Nantong) New Materials Technology Co., Ltd was recognised as a "HNTE", therefore enjoyed a preferential income tax rate of 15% in 2023 to 2025.

( )

The Company's subsidiary domiciled in Hong Kong is subject to a two-tiered income tax rate for taxable income earned in Hong Kong effectively since 1 April 2018. The first 2 million Hong Kong dollars of profits earned by the qualifying group entity are subject to be taxed at an income tax rate of 8.25%, while the remaining profits will be taxed at 16.5%.

( )

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Reconciliation between the income tax expense/(credit) and profit before income tax in the consolidated statements of comprehensive income is as follows:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Profit before income tax	847,929	717,048	407,019	401,767	127,478
Tax at the preferential tax rate of 15%	127,189	107,557	61,053	60,265	19,122
Tax effect of					
— different tax rates of the subsidiaries	160	(984)	(6,578)	(379)	(3,877)
— deductible temporary differences and tax losses for which no deferred income tax assets were recognised	22,541	52,925	20,172	19,744	16,590
— share of results of associates and joint venture	243	291	202	303	(11)
— non-deductible expenses	2,192	1,316	1,387	577	855
— utilisation of temporary differences and tax losses previously for which no deferred income tax assets were recognised	—	(1,548)	(1,511)	(1,226)	(19,004)
— under/(over) provision in respect of prior year/ period	1,080	749	(1,508)	(1,508)	37
— super deduction on research and development expenses and acquisition of equipment *(N)*	(53,039)	(36,953)	(36,906)	(26,790)	(26,753)
	100,366	123,353	36,311	50,986	(13,041)

N :

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% and 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for the period from 1 January 2022 to 30 September 2022 and for the period from 1 October 2022 to 30 September 2025, respectively.

The State Taxation Administration of the PRC announced in September 2022 that enterprises accredited as HNTE would be entitled to claim 100% of the purchase price for equipment and appliances newly purchased during the period from 1 October 2022 to 31 December 2022 as tax deductible expenses and 100% additional deduction for the year ended 31 December 2022.

12.

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Final dividends	38,420	127,931	295,382	295,382	66,595

The final dividends of RMB0.50 per 10 shares (tax inclusive) totaling approximately RMB38,420,000 in respect of the year ended 31 December 2021 were approved in 2021 Annual General Meeting of the Company on 24 March 2022. The Group had not recognised this as a liability as at 31 December 2021 but reflected as an appropriation of retained earnings for the year ended 31 December 2021 during the year ended 31 December 2022. The final dividends were paid on 21 April 2022.

The final dividends of RMB1.00 per 10 shares (tax inclusive) totaling approximately RMB127,931,000 in respect of the year ended 31 December 2022 were approved in 2022 Annual General Meeting of the Company on 17 May 2023. The Group had not recognised this as a liability as at 31 December 2022 but reflected as an appropriation of retained earnings for the year ended 31 December 2022 during the year ended 31 December 2023. The final dividends were paid on 30 May 2023.

The final dividends of RMB2.20 per 10 shares (tax inclusive) totaling approximately RMB295,382,000 in respect of the year ended 31 December 2023 were approved in 2023 Annual General Meeting of the Company on 13 May 2024. The Group had not recognised this as a liability as at 31 December 2023 but reflected as an appropriation of retained earnings for the year ended 31 December 2023 during the year ended 31 December 2024. The final dividends were paid on 13 June 2024.

The final dividends of RMB5.00 per 10 shares (tax inclusive) totaling approximately RMB66,595,000 in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Company on 21 May 2025. The Group had not recognised this as a liability as at 31 December 2024 but reflected as an appropriation of retained earnings for the year ended 31 December 2024 during the nine months ended 30 September 2025. The final dividends were paid on 17 July 2025.

13.

( )

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
				( )	
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	719,272	576,330	363,826	349,373	114,411
Weighted average number of ordinary shares in issue (thousand shares)	1,203,434	1,275,225	1,339,789	1,339,789	1,324,857
Basic EPS (RMB per share)	0.60	0.45	0.27	0.26	0.09

( )

The share schemes granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
				( )	
Profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	719,272	576,330	363,826	349,373	114,411
Weighted average number of ordinary shares in issue (thousand shares)	1,203,434	1,275,225	1,339,789	1,339,789	1,324,857
Adjustments for potential shares arising from share schemes (thousand shares)	1,991	—	3,950	—	—
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	1,205,425	1,275,225	1,343,739	1,339,789	1,324,857
Diluted EPS (RMB per share)	0.60	0.45	0.27	0.26	0.09

14.

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	N ( )					*N ( )*		
1 2022								
Cost	687,953	3,499,299	11,646	11,349	81,548	—	497,330	4,789,125
Accumulated depreciation	(96,906)	(773,337)	(3,098)	(4,340)	(51,828)	—	—	(929,509)
Net carrying amount	591,047	2,725,962	8,548	7,009	29,720	—	497,330	3,859,616
31 2022								
Opening net carrying amount	591,047	2,725,962	8,548	7,009	29,720	—	497,330	3,859,616
Additions	20,749	12,335	1,727	5,638	5,169	29,091	2,211,376	2,286,085
Disposals	—	(2,866)	—	—	(105)	—	—	(2,971)
Depreciation	(24,328)	(329,874)	(1,078)	(2,221)	(9,521)	—	—	(367,022)
Reclassification	358,587	255,151	824	1,550	3,373	—	(619,485)	—
Exchange realignment	—	49	—	(74)	—	44	(2,070)	(2,051)
Closing net carrying amount	946,055	2,660,757	10,021	11,902	28,636	29,135	2,087,151	5,773,657
31 2022								
Cost	1,067,288	3,760,676	14,197	18,458	88,484	29,135	2,087,151	7,065,389
Accumulated depreciation	(121,233)	(1,099,919)	(4,176)	(6,556)	(59,848)	—	—	(1,291,732)
Net carrying amount	946,055	2,660,757	10,021	11,902	28,636	29,135	2,087,151	5,773,657
31 2023								
Opening net carrying amount	946,055	2,660,757	10,021	11,902	28,636	29,135	2,087,151	5,773,657
Additions	—	19,225	3,594	5,716	4,599	856	3,171,782	3,205,772
Disposals	(4,144)	(5,825)	(104)	—	(799)	—	—	(10,872)
Depreciation	(45,428)	(385,311)	(1,488)	(3,649)	(9,683)	—	—	(445,559)
Reclassification	611,443	1,138,781	279	8,985	14,406	—	(1,773,894)	—
Exchange realignment	—	9,583	30	278	154	2,028	34,941	47,014
Closing net carrying amount	1,507,926	3,437,210	12,332	23,232	37,313	32,019	3,519,980	8,570,012
31 2023								
Cost	1,674,588	4,921,557	17,934	33,509	105,282	32,019	3,519,980	10,304,869
Accumulated depreciation	(166,662)	(1,484,347)	(5,602)	(10,277)	(67,969)	—	—	(1,734,857)
Net carrying amount	1,507,926	3,437,210	12,332	23,232	37,313	32,019	3,519,980	8,570,012
31 2024								
Opening net carrying amount	1,507,926	3,437,210	12,332	23,232	37,313	32,019	3,519,980	8,570,012
Additions	4,277	3,294	2,142	4,892	2,688	400,459	4,689,915	5,107,667
Disposals	(14,061)	(16,496)	(722)	(88)	(484)	—	—	(31,851)
Depreciation	(67,376)	(513,258)	(2,081)	(7,398)	(8,184)	—	—	(598,297)
Reclassification	621,236	2,297,124	2,406	6,534	12,274	—	(2,939,574)	—
Exchange realignment	—	(12,041)	21	(300)	(200)	11,827	(37,333)	(38,026)
Closing net carrying amount	2,052,002	5,195,833	14,098	26,872	43,407	444,305	5,232,988	13,009,505
31 2024								
Cost	2,285,777	7,189,592	20,456	44,298	119,410	444,305	5,232,988	15,336,826
Accumulated depreciation	(233,775)	(1,993,759)	(6,358)	(17,426)	(76,003)	—	—	(2,327,321)
Net carrying amount	2,052,002	5,195,833	14,098	26,872	43,407	444,305	5,232,988	13,009,505
30 2025								
Opening net carrying amount	2,052,002	5,195,833	14,098	26,872	43,407	444,305	5,232,988	13,009,505
Additions	—	34,718	2,262	3,365	6,008	—	4,031,407	4,077,760
Disposals	(1,177)	(16,356)	(935)	—	(1,152)	—	—	(19,620)
Depreciation	(65,692)	(529,522)	(1,581)	(6,089)	(14,388)	—	—	(617,272)
Reclassification	1,155,775	1,914,894	363	4,112	46,782	—	(3,121,926)	—
Exchange realignment	—	21,428	65	511	372	21,835	232,589	276,800
Closing net carrying amount	3,140,908	6,620,995	14,272	28,771	81,029	466,140	6,375,058	16,727,173
As at 30 September 2025								
Cost	3,440,375	9,048,968	21,440	52,641	170,877	466,140	6,375,058	19,575,499
Accumulated depreciation	(299,467)	(2,427,973)	(7,168)	(23,870)	(89,848)	—	—	(2,848,326)
Net carrying amount	3,140,908	6,620,995	14,272	28,771	81,029	466,140	6,375,058	16,727,173

N :

(a) The Group's properties and buildings located in the PRC and the carrying amounts of the properties and buildings amounted to approximately RMB702,090,000, RMB303,734,000, RMB592,061,000 and RMB1,081,804,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively, were in the process of obtaining the property ownership certificates. As of the end of each reporting period, the directors of the Company are of the opinion, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial positions as at 31 December 2022, 2023 and 2024 and 30 September 2025.

(b) The Group's freehold lands are located in the Sweden and Malaysia and the carrying amounts of the freehold lands amounted to Nil, approximately RMB32,019,000, RMB414,674,000 and RMB34,059,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively, are in the process of obtaining the land ownership certificates. The directors of the Company are of the opinion that the relevant certificates would be obtained in the near future, the Group is entitled to lawfully and validly occupy and use the land, and therefore the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial positions as at 31 December 2022, 2023 and 2024 and 30 September 2025.

(c) Subsequent to 30 September 2025, the Group recognised an impairment loss of approximately RMB28 million on certain property, plant and equipment after the directors of the Company, in light of a strategic decision with changes in business operation, assessed that those related assets' recoverable amount was below the carrying amount. As at 30 September 2025, the directors of the Company considered the recoverable amount of those relevant assets was greater than the carrying amount of approximately RMB35.5 million and therefore no impairment was made.

The Group has pledged certain property, plant and equipment with the following carrying amounts to secure borrowings granted to the Group. Details of the Group's property, plant and equipment pledged for the Group's borrowings are as below:

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Properties and buildings	765,371	1,195,059	1,735,066	2,897,375
Administrative equipment	—	—	2,968	2,512
Machinery	—	—	—	1,904,965
Construction in progress	1,078,161	1,173,711	185,015	254,414
	1,843,532	2,368,770	1,923,049	5,059,266

	RMB'000 N ( )	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
1 2022							
Cost	223,138	430,093	5,211	3,721	70,457	321,381	1,054,001
Accumulated depreciation	(55,712)	(292,359)	(2,141)	(2,042)	(49,356)	—	(401,610)
Net carrying amount	167,426	137,734	3,070	1,679	21,101	321,381	652,391
31 2022							
Opening net carrying amount	167,426	137,734	3,070	1,679	21,101	321,381	652,391
Additions	—	4,404	255	451	3,709	117,147	125,966
Disposals	—	(204)	—	—	(105)	—	(309)
Depreciation	(6,415)	(30,954)	(411)	(603)	(6,886)	—	(45,269)
Reclassification	292,441						

N :

(a) The Company's properties and buildings are located in the PRC and the carrying amounts of the properties and buildings amounted to approximately RMB291,654,000, Nil, Nil and Nil as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively, are in the process of obtaining the property ownership certificates. The directors of the Company are of the opinion, the Company is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Company's statements of financial positions as at 31 December 2022, 2023 and 2024 and 30 September 2025, As of the date of this report, all ownership certificates have been obtained.

The Company has pledged certain property, plant and equipment with the following carrying

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	RMB'000	*RMB'000*	*RMB'000*
1 2022	47,184	313,289	360,473
Additions	1,176	—	1,176
Depreciation	(4,444)	(7,613)	(12,057)
Exchange realignment	(2,591)	—	(2,591)
31 2022 1 2023	41,325	305,676	347,001
Additions	538	258,212	258,750
Depreciation	(4,494)	(11,931)	(16,425)
Lease modification and termination	(314)	—	(314)
Exchange realignment	2,525	—	2,525
31 2023 1 2024	39,580	551,957	591,537
Additions	286,283	—	286,283
Depreciation	(13,824)	(12,956)	(26,780)
Exchange realignment	(230)	—	(230)
31 2024 1 2025	311,809	539,001	850,810
Additions	57,998	27,566	85,564
Depreciation	(27,289)	(9,818)	(37,107)
Exchange realignment	1,780	(2)	1,778
30 2025	344,298	556,747	901,045

Certain prepaid land lease payments are pledged for the Group's borrowings, details are disclosed in Note 34 to the Historical Financial Information.

(b) Lease liabilities

	31			**30**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	51,694	49,157	405,175	440,763
Future interest expense on lease liabilities	(9,923)	(8,161)	(86,671)	(78,026)
	41,771	40,996	318,504	362,737
Current	3,510	3,862	18,646	71,476
Non-current	38,261	37,134	299,858	291,261
	41,771	40,996	318,504	362,737

The maturity analysis of lease liabilities is disclosed in Note 40 to the Historical Financial Information.

(c) The amounts recognised in the consolidated statements of comprehensive income in relation to leases are as follows:

	31			30	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Interest expenses	13	—	2,547	1,352	3,011
Depreciation of right-of-use assets (net of capitalisation in construction in progress)	3,214	4,485	9,534	6,920	11,359
Expense relating to short-term leases and leases of low-value assets	1,081	1,294	1,887	907	1,421

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	RMB'000	*RMB'000*	*RMB'000*
1 2022	61,888	83	61,971
Depreciation	(2,381)	(41)	(2,422)
31 2022 1 2023	59,507	42	59,549
Additions	712	—	712
Depreciation	(2,408)	(42)	(2,450)
31 2023 1 2024	57,811	—	57,811
Additions	—	8,113	8,113
Depreciation	(2,574)	(1,352)	(3,926)
31 2024 1 2025	55,237	6,761	61,998
Depreciation	(1,804)	(2,028)	(3,832)
30 2025	53,433	4,733	58,166

(b) Lease liabilities

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total minimum lease payments	44	—	7,143	5,000
Future interest expense on lease liabilities	—	—	(322)	(161)
	44	—	6,821	4,839
Current	44	—	2,655	2,728
Non-current	—	—	4,166	2,111
	44	—	6,821	4,839

(c) The amounts recognised in the Company's statements of comprehensive income in relation to leases are as follows:

	31			30	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				( )	
Interest expenses	3	—	136	—	160
Depreciation of right-of-use assets	2,422	2,450	3,926	1,973	3,832
Expense relating to short-term leases and leases of low-value assets	408	468	599	299	178

The Group leases its properties in Chinese Mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the Track Record Period were included in Note 6 to the Historical Financial Information.

16.

	RMB'000
1 2022	
Cost	10,415
Accumulated amortisation	(3,059)
Net carrying amount	7,356
31 2022	
Opening net carrying amount	7,356
Additions	474
Amortisation	(1,452)
Closing net carrying amount	6,378
31 2022	
Cost	10,889
Accumulated amortisation	(4,511)
Net carrying amount	6,378
31 2023	
Opening net carrying amount	6,378
Additions	293
Amortisation	(1,397)
Exchange realignment	2
Closing net carrying amount	5,276
31 2023	
Cost	11,184
Accumulated amortisation	(5,908)
Net carrying amount	5,276
31 2024	
Opening net carrying amount	5,276
Additions	4,058
Amortisation	(1,489)
Exchange realignment	(1)
Closing net carrying amount	7,844
31 2024	
Cost	15,241
Accumulated amortisation	(7,397)
Closing net carrying amount	7,844

	RMB'000
30 2025	
Opening net carrying amount	7,844
Additions	14,051
Amortisation	(2,159)
Exchange realignment	9
Closing net carrying amount	19,745
30 2025	
Cost	29,304
Accumulated amortisation	(9,559)
Net carrying amount	19,745

	RMB'000
1 2022	
Cost	7,702
Accumulated amortisation	(2,489)
Net carrying amount	5,213
31 2022	
Opening net carrying amount	5,213
Additions	51
Amortisation	(1,155)
Closing net carrying amount	4,109
31 2022	
Cost	7,753
Accumulated amortisation	(3,644)
Net carrying amount	4,109
31 2023	
Opening net carrying amount	4,109
Additions	268
Amortisation	(1,088)
Closing net carrying amount	3,289
31 2023	
Cost	8,021
Accumulated amortisation	(4,732)
Net carrying amount	3,289
31 2024	
Opening net carrying amount	3,289
Additions	241
Amortisation	(932)
Closing net carrying amount	2,598
31 2024 1 2025	
Cost	8,262
Accumulated amortisation	(5,664)
Closing net carrying amount	2,598

	RMB'000
30 2025	
Opening net carrying amount	2,598
Additions	3,019
Amortisation	(1,125)
Closing net carrying amount	4,492
30 2025	
Cost	11,281
Accumulated amortisation	(6,789)
Net carrying amount	4,492

17.

	31			**30**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments	64,969	5,118	49,589	11,616
Opening net carrying amount	59,590	64,969	5,118	49,589
Additions *(N ( ))*	7,200	—	45,820	4,350
Disposals *(N ( ) ( ))*	(199)	(57,911)	—	(42,398)
Share of results, net	(1,622)	(1,940)	(1,349)	75
Closing net carrying amount	64,969	5,118	49,589	11,616

Details of each of the Group's and The Company's investments in associates and joint venture at the end of each year/period for the Track Record Period are as follows:

		31			30	
		2022	2023	2024	2025	
		%	%	%	%	
Investment in joint venture						
Yantai Xinghe Battery Materials Technology Co., LTD ("") (台星和電池材料科技有限 司) *(N ( ))*	The PRC	N/A	N/A	25	50	Manufacture and sales of special electronic materials
Investments in associates						
N-Tech Environmental Protection Science and Technology (Changzhou) Co., Ltd ("-") (恩環保科技(常州)有限 司) *(N ( )( ))*	The PRC	14.04	N/A	N/A	N/A	Manufacture and sales of high-performance water treatment membranes
Shenzhen Xinyuanbang Technology Co., Ltd. (深圳新源邦科技有限 司)	The PRC	21.16	21.16	21.16	21.16	Manufacture and sales of special electronic materials
Shenzhen Qianhai Runmu Investment Partnership Enterprise (Limited Partnership) ("") (深圳市前海 投資合夥企 (有限合夥)) *(N ( ))*	The PRC	N/A	N/A	40	N/A	Investment
Shenzhen Xinglanxin New Material Technology Co., Ltd. (深圳市星藍鑫新材料科技有限 司)	The PRC	N/A	N/A	N/A	31	Manufacture and sales of special electronic materials

N :

(a) In the opinion of the management, these investments in associates and joint venture are immaterial to the Group, both individually and in aggregate.

(b) Management has assessed the level of influence that the Group exercises on joint venture and associates, and determined that it has significant influence through the board representation and other relevant facts and circumstances. Accordingly, the investment in Yantai Xinghe have been classified as joint venture as at 31 December 2024 and 30 September 2025 as according to the shareholders agreement of Yantai Xinghe, the Group and the Company has the right to appoint 50% of Board and would be able to exercise joint control over the operation and financial matters of Yantai Xinghe even though the shareholding held by the Group and the Company was 25% at 31 December 2024. And the investment in N-Tech have been classified as associate at 31 December 2022 due to the Group and the Company have seats in the N-Tech's board of directors.

(c) There were no material contingent liabilities relating to the Group's investments in associates and joint venture.

(d) In December 2023, the N-Tech introduced a new investor and the Company's percentage of ownership decrease to 10.11% and lost the seats on the board of directors of the N-Tech. The Company no longer has a significant influence on N-Tech and accounted for the investment as FVTPL based on the investment strategy.

(e) The Group jointly invested with Shenzhen Qianhai Runmu Management Co., Ltd., an associate of the Group (see Note 38) to establish Shenzhen Qianhai Runmu Investment Partnership Enterprise (Limited Partnership). The Group, as a limited partner, subscribed for a capital contribution of RMB40,000,000, holding a 40% stake. In January 2024, the Group paid the capital contribution of RMB40,000,000.

In March 2025, the shareholders of Runmu investment decided to cease operations and handle the relevant liquidation and company deregistration procedures. The Group and the Company accordingly recovered the investment in full.

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				30
		31		
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Bank wealth management products ("") and structured deposits *(N ( ))*	1,505,870	618,835	260,564	20,000
— Fund products	50,002	251,803	38,803	—
— Listed equity instrument *(N ( ))*	—	—	—	216,473
	1,555,872	870,638	299,367	236,473
— Unlisted equity instruments	300	64,212	76,982	79,065

N :

(a) The WMPs and structured deposits are mainly managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

(b) As of 30 September 2025, the Group held the following listed equity instruments for trading purposes at cost per share: those denominated in USD comprised Alphabet Inc. — Class A (GOOGL, NASDAQ Global Select Market) at USD253.84, Bitmine Immersion Technologies Inc. (BMNR, NYSE American LLC) at USD59.40, CoreWeave Inc. — Class A (CRWV, New York Stock Exchange) at USD124.85, Hyperion Defi Inc. (HYPD, NASDAQ Capital Market) at USD12.10, Intel Corporation (INTC, NASDAQ Global Select Market) at USD30.00, and Kingsoft Cloud Holdings Limited (KC, NASDAQ Global Select Market) at USD16.43; and those denominated in HKD comprised Kingsoft Cloud Holdings Limited (Kingsoft Cloud, SEHK) at HKD8.76 and Alibaba Group Holding Limited (Alibaba, SEHK) at HKD162.20.

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Bank WMPs and structured deposits *(N)*	1,393,763	558,477	190,564	—
— Fund products	50,002	251,803	38,803	—
	1,443,765	810,280	229,367	—
— Unlisted equity instruments	—	63,912	76,682	78,765

N :

The WMPs and structured deposits are managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

( )

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Foreign exchange forward contracts	—	—	—	15,860

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	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Notes receivables measured at FVTOCI *(N ( ))*	87,503	79,585	292,318	306,162
— Equity investments at fair value *(N ( ))*	—	—	—	18,816

N :

20.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	142,304	208,094	289,560	312,180
Semi-finished goods	73,868	128,574	111,277	192,255
Finished goods	91,474	103,282	162,885	258,356
	307,646	439,950	563,722	762,791
Less: provision for impairment *(N)*	(23,944)	(43,086)	(45,659)	(53,260)
	283,702	396,864	518,063	709,531

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	22,882	32,165	31,273	21,603
Semi-finished goods	17,340	12,522	5,461	850
Finished goods	26,213	40,661	47,280	44,451
	66,435	85,348	84,014	66,904
Less: provision for impairment *(N)*	(9,870)	(7,530)	(1,150)	(2,768)
	56,565	77,818	82,864	64,136

N : The directors of the Company review the condition of inventories and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. Inventory review was carried out at each reporting date on a product-by-product basis and makes allowance by reference to the latest market prices and current market conditions for the Group and the Company.

21.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	1,302,035	1,636,279	2,120,371	2,058,596
Notes receivables *(N)*	221,582	180,143	359,154	553,946
	1,523,617	1,816,422	2,479,525	2,612,542
Less: allowance for impairment	(31,318)	(43,173)	(103,469)	(54,436)
	1,492,299	1,773,249	2,376,056	2,558,106

N : The amount of the Group's endorsed and discounted notes receivables which are not derecognised as at 31 December 2022, 2023 and 2024 and 30 September 2025 are approximately RMB71,273,000, RMB94,284,000, RMB233,440,000 and RMB259,863,000, respectively.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	864,645	1,128,038	1,619,584	1,457,722
Notes receivables *(N)*	95,762	67,784	78,892	119,282
	960,407	1,195,822	1,698,476	1,577,004
Less: allowance for impairment	(23,005)	(30,978)	(38,042)	(38,236)
	937,402	1,164,844	1,660,434	1,538,768

N : The amount of the Company's endorsed and discounted notes receivables which are not derecognised as at 31 December 2022, 2023 and 2024 and 30 September 2025 are approximately RMB9,616,000, RMB48,135,000, RMB24,529,000 and RMB30,700,000, respectively.

Certain trade and notes receivables are pledged as security for the Group's borrowings, details are disclosed in Note 34 to the Historical Financial Information.

The credit period granted to customers is generally within 180 days during the Track Record Period.

The ageing analysis of trade receivables based on recognition date is as follows:

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,276,477	1,607,743	2,077,976	2,029,912
Over 1 year but within 2 years	6,620	7,675	23,687	9,832
Over 2 years but within 3 years	4,549	4,744	1,232	2,823
Over 3 years	14,389	16,117	17,476	16,029
	1,302,035	1,636,279	2,120,371	2,058,596

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	843,113	1,108,421	1,601,788	1,440,230
Over 1 year but within 2 years	5,162	2,323	2,713	2,331
Over 2 years but within 3 years	4,458	3,745	1,173	2,101
Over 3 years	11,912	13,549	13,910	13,060
	864,645	1,128,038	1,619,584	1,457,722

Movements in impairment of trade and notes receivables are as follows:

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	30,158	31,318	43,173	103,469
Impairment recognised, net	14,785	12,629	62,306	1,051
Written off	(13,645)	(859)	(670)	(50,012)
Exchange realignment	20	85	(1,340)	(72)
At the end of the year/period	31,318	43,173	103,469	54,436

Detail information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 41.

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	26,160	23,005	30,978	38,042
Impairment recognised, net	10,490	8,832	7,528	194
Written off	(13,645)	(859)	(464)	—
At the end of the year/period	23,005	30,978	38,042	38,236

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Company's impairment of notes receivables are approximately RMB634,000, RMB90,000, RMB232,000 and RMB310,000, respectively.

22. ,

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables	7,969	8,722	18,784	33,874

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables	1,387	2,581	1,261	1,282
Less: allowance for impairment	(66)	(159)	(63)	(64)
	1,321	2,422	1,198	1,218
Prepayment for acquisition of non-current assets	36,923	195,397	175,953	78,700
VAT recoverable	23,097	13,735	25,725	31,047
Prepayments for materials and others	56,156	2,281	1,884	2,176
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	117,497	213,835	204,760	128,587
Analysed for reporting purposes as:				
Current assets	80,574	18,438	28,807	49,887
Non-current assets	36,923	195,397	175,953	78,700
	117,497	213,835	204,760	128,587

The movements on the impairment of other receivables are as follows:

	1	2	3	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	294	—	—	294
Provision	69	—	—	69
Exchange realignment	1	—	—	1
As at 31 December 2022 and 1 January 2023	364	—	—	364
Provision	100	—	—	100
Exchange realignment	2	—	—	2
As at 31 December 2023 and 1 January 2024	466	—	—	466
Provision	454	—	—	454
Exchange realignment	2	—	—	2
As at 31 December 2024 and 1 January 2025	922	—	—	922
Provision	761	—	—	761
Exchange realignment	(1)	—	—	(1)
As at 30 September 2025	1,682	—	—	1,682

	1	2	3	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	33	—	—	33
Provision	33	—	—	33
As at 31 December 2022 and 1 January 2023	66	—	—	66
Provision	93	—	—	93
As at 31 December 2023 and 1 January 2024	159	—	—	159
Reversal	(96)	—	—	(96)
As at 31 December 2024 and 1 January 2025	63	—	—	63
Provision	1	—	—	1
As at 30 September 2025	64	—	—	64

23.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits	153,777	145,402	485,496	551,559
Pledged bank deposits for notes payables	143,414	145,202	480,621	546,747
Pledged bank deposits for other purposes	10,363	200	4,875	4,812
	153,777	145,402	485,496	551,559

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted bank deposits	95,644	81,927	437,654	457,247
Pledged bank deposits for notes payables	95,644	81,927	437,654	456,679
Pledged bank deposits for other purposes	—	—	—	568
	95,644	81,927	437,654	457,247

The restricted bank deposits of the Group and the Company are mainly RMB deposits. Certain deposits are pledged as security for the Group's and the Company's borrowings and notes payable, details are disclosed in Note 34 to the Historical Financial Information.

24.

Denominated in:

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	1,024,229	1,781,762	71,661	156,692
USD	176,114	—	—	—
	1,200,343	1,781,762	71,661	156,692

All restricted bank deposits and time deposits as at 31 December 2022, 2023 2024 and 30 September 2025 are pledged (Note 23 and 34).

25.

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash in bank	1,293,953	1,744,409	2,650,754	1,951,489

Denominated in:

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	1,037,074	570,712	1,503,567	1,097,570
USD	119,065	1,048,645	997,176	286,403
SGD	50,023	20,859	21,174	212,390
MYR	—	43,773	33,386	216,136
Others	87,791	60,420	95,451	138,990
	1,293,953	1,744,409	2,650,754	1,951,489

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash in bank	627,372	1,029,618	995,122	656,123

(a) Deferred income tax assets

The movements in deferred income tax assets during the Track Record Period are as follows:

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	9,638	11,791	454	18,623	—	—	73	40,579
(Reversed)/Recognised in profit or loss	(1,377)	8,992	1,391	(5,154)	—	—	(73)	3,779
Reversed in capital reserve	—	—	—	(9,847)	—	—	—	(9,847)
As at 31 December 2022 and 1 January 2023	8,261	20,783	1,845	3,622	—	—	—	34,511
(Reversed)/Recognised in profit or loss	(3,165)	(17,257)	926	(3,523)	—	—	—	(23,019)
Reversed in capital reserve	—	—	—	(99)	—	—	—	(99)
As at 31 December 2023 and 1 January 2024	5,096	3,526	2,771	—	—	—	—	11,393
Recognised in profit or loss	1,775	18,958	1,804	—	19,950	64,865	—	107,352
Exchange realignment	—	12	—	—	—	—	—	12
As at 31 December 2024 and 1 January 2025	6,871	22,496	4,575	—	19,950	64,865	—	118,757
Recognised/(Reversed) in profit or loss	907	71,462	(215)	—	(754)	(3,905)	—	67,495
As at 30 September 2025	7,778	93,958	4,360	—	19,196	60,960	—	186,252

(b) Deferred income tax liabilities

The movements in deferred income tax liabilities during the Track Record Period are as follows:

	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	39,461	—	6,287	45,748
(Reversed)/Recognised in profit or loss	(479)	—	191	(288)
As at 31 December 2022 and 1 January 2023	38,982	—	6,478	45,460
Reversed in profit or loss	(4,780)	—	(1,457)	(6,237)
As at 31 December 2023 and 1 January 2024	34,202	—	5,021	39,223
Recognised/(Reversed) in profit or loss	28,076	64,936	(713)	92,299
As at 31 December 2024 and 1 January 2025	62,278	64,936	4,308	131,522
(Reversed)/Recognised in profit or loss	14,347	(7,259)	4,000	11,088
Exchange realignment	—	20	6	26
As at 30 September 2025	76,625	57,697	8,314	142,636

(c) Tax losses and deductible temporary differences with deferred income tax assets not recognised

Deferred income tax assets should be recognised when it is probable that taxable profits or taxable temporary differences will be available against which the deferred income tax assets can be utilised. Temporary differences will not be recognised as deferred income tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future. The following table sets forth the tax losses and deductible temporary differences which were not recognised as deferred income tax assets at the end of each year/period for the Track Record Period:

	31 December			30 September
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	143,307	380,130	340,177	211,115
Deductible temporary differences	555	52,754	179,697	214,299
	143,862	432,884	519,874	425,414

The Group has unused tax losses of approximately RMB281,860,000, RMB403,637,000, RMB490,150,000 and RMB837,502,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively, available for offset against future profits. Certain deferred income tax assets has not been recognised for these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB143,307,000, RMB380,130,000, RMB340,177,000 and RMB211,115,000, respectively, can be carried forward as below:

	31 December			30 September
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2026	1,854	—	—	—
2027	59,110	—	—	—
2028	38,811	31	—	—
2031	—	1,768	—	—
2032	—	109,577	63,872	—
2033	—	215,125	203,155	136,781
2034	—	—	13,372	13,372
Indefinitely	43,532	53,629	59,778	60,962
	143,307	380,130	340,177	211,115

(b) Deferred income tax liabilities

The movements in deferred income tax liabilities during the Track Record Period are as follows:

	RMB'000
As at 1 January 2022, 31 December 2022 and 1 January 2023	535
Reversed in profit or loss	(535)
As at 31 December 2023 and 2024 and 30 September 2025	—

(c) Tax losses and deductible temporary differences with deferred income tax assets not recognised

Deferred income tax assets should be recognised when it is probable that taxable profits or taxable temporary differences will be available against which the deferred income tax assets can be utilised. Temporary differences will not be recognised as deferred income tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future. The following table sets forth the tax losses and deductible temporary differences which were not recognised as deferred income tax assets at the end of each year/period for the Track Record Period:

	31			**30**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	—	286,027	280,399	151,171
Deductible temporary differences	—	38,668	61,466	56,406
	—	324,695	341,865	207,577

The Company has unused tax losses of approximately RMB72,613,000, RMB286,027,000, RMB299,399,000 and RMB297,858,000 as at 31 December 2022, 2023 and 2024 and 30 September 2025, respectively, available for offset against future profits. Certain deferred income tax assets has not been recognised for these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of Nil, RMB286,027,000, RMB280,399,000 and RMB151,171,000, respectively, can be carried forward as below:

	31			**30**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2032	—	82,872	63,872	137,799
2033	—	203,155	203,155	13,372
2034	—	—	13,372	—
	—	286,027	280,399	151,171

27.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	304,172	338,631	411,667	423,260
Notes payables	235,932	139,823	120,614	248,132
	540,104	478,454	532,281	671,392

The credit period granted by suppliers is generally within 90 days. The ageing analysis of the trade payables of the Group as at 31 December 2022, 2023 and 2024 and 30 September 2025 based on recognition date is as follows:

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Within 1 year	296,839	331,427	401,278	406,983
— Over 1 year but within 2 years	7,022	6,324	7,418	11,329
— Over 2 years but within 3 years	50	608	2,349	2,938
— Over 3 years	261	272	622	2,010
	304,172	338,631	411,667	423,260

As at the end of each year/period for the Track Record Period, no matured notes payables were unpaid.

Details of the Group's assets pledged for the Group's notes payables are disclosed in Note 34 to the Historical Financial Information.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	58,457	111,604	39,838	40,696
Notes payables	173,711	114,366	49,412	116,767
	232,168	225,970	89,250	157,463

The ageing analysis of the trade payables of the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 based on recognised date is as follows:

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
— Within 1 year	57,952	111,181	39,527	33,193
— Over 1 year but within 2 years	505	208	144	4,286
— Over 2 years but within 3 years	—	215	30	2,387
— Over 3 years	—	—	137	830
	58,457	111,604	39,838	40,696

2 .

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for acquisition of non-current assets	495,304	577,786	1,110,936	1,049,057
Deferred government grants	308,602	453,920	475,458	481,386
Settlement expenses for litigation	—	107,657	—	—
Endorsed notes receivable that have not been derecognised and not yet due	—	65,512	160,350	221,953
Employee benefits payables	93,689	56,260	61,855	56,669
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits received	11,269	21,577	15,004	11,381
Other tax payables	16,451	27,616	16,264	29,810
Repurchase obligation for restricted shares	49,790	37,781	12,456	—
Others	27,321	27,854	28,650	56,006
	1,002,426	1,375,963	1,880,973	1,909,945
Analysed for reporting purposes as:				
Current liabilities	668,029	899,443	1,382,915	1,428,559
Non-current liabilities	334,397	476,520	498,058	481,386
	1,002,426	1,375,963	1,880,973	1,909,945

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred government grants	42,418	48,762	56,520	52,489
Settlement expenses for litigation	—	107,657	—	—
Payables for acquisition of non-current assets	39,084	71,577	53,087	12,685
Repurchase obligation for restricted shares	49,790	37,781	12,456	—
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits received	10,038	11,652	9,939	7,839
Employee benefits payables	46,868	21,220	21,103	10,938
Endorsed notes receivable that have not been derecognised and not yet due	—	12,305	9,169	209,208
Other tax payables	2,749	3,224	5,234	15,020
Others	4,607	2,929	3,038	6,889
	195,554	317,107	170,546	318,751
Analysed for reporting purposes as:				
Current liabilities	149,941	268,345	114,026	266,262
Non-current liabilities	45,613	48,762	56,520	52,489
	195,554	317,107	170,546	318,751

2 .

	31			30
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
S r rr :				
Short-term bank borrowings	—	—	—	29,999
Advances from banks on discounted notes receivables *(N ( ))*	630,176	1,418,330	2,509,090	3,013,302
Current portion of long-term bank borrowings	262,309	639,686	607,622	1,006,756
Current portion of long-term other borrowings	—	—	—	122,928
	892,485	2,058,016	3,116,712	4,172,985
U r rr :				
Short-term bank borrowings	157,178	328,931	752,870	1,190,890
Current portion of long-term bank borrowings	30,000	212,000	134,000	257,100
Current portion of long-term other borrowings	—	—	101,485	66,880
	187,178	540,931	988,355	1,514,870
	1,079,663	2,598,947	4,105,067	5,687,855
S r rr :				
Non-current portion of long-term bank borrowings	2,047,447	2,843,824	5,518,518	5,050,127
Non-current portion of long-term other borrowings	—	—	—	427,299
	2,047,447	2,843,824	5,518,518	5,477,426
U r rr :				
Non-current portion of long-term bank borrowings	155,000	80,000	279,000	1,001,544
Non-current portion of long-term other borrowings	167,931	487,812	481,469	423,882
	322,931	567,812	760,469	1,425,426
	2,370,378	3,411,636	6,278,987	6,902,852

As at 31 December 2022, 2023 and 2024 and 30 September 2025, the borrowings bear effective interest rates range of 2.80%～4.40%, 2.40%～4.25%, 2.28%～5.59% and 1.96%～3.55% per annum respectively.

N :

(a) Bank's credit facilities amounted to approximately RMB4,067,788,000, RMB8,850,480,000,

During the Track Record Period, the Group did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's borrowings were repayable as follows:

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed as:				
— Within 1 year	1,079,663	2,598,947	4,105,067	5,687,855
— Over 1 year but within 2 years	711,582	650,096	1,642,017	2,090,519
— Over 2 years but within 3 years	494,424	747,375	1,717,634	2,395,783
— Over 3 years	1,164,372	2,014,165	2,919,336	2,416,550
	3,450,041	6,010,583	10,384,054	12,590,707

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed as:				
— Within 1 year	107,094	351,425	702,489	1,120,446
— Over 1 year but within 2 years	160,438	120,000	182,000	499,000
— Over 2 years but within 3 years	60,000	40,000	177,000	535,000
— Over 3 years	190,000	150,000	110,000	80,000
	517,532	661,425	1,171,489	2,234,446

The Group's and the Company's borrowings that are denominated in currencies of the relevant group entities are set out below:

Denominated in:

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	3,450,041	6,010,583	9,326,845	11,422,654
EUR	—	—	1,057,209	1,168,053
	3,450,041	6,010,583	10,384,054	12,590,707

Denominated in:

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	517,532	661,425	1,171,489	2,234,446

Details of the Group's borrowing with floating rate are disclosed in Note 41 to the Historical Financial Information.

30.

	31			30
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share capital	1,280,806	1,345,107	1,342,957	1,348,124
Treasury shares reserve	(100,566)	(89,122)	(62,765)	(350,758)
	1,180,240	1,255,985	1,280,192	997,366

The changes in the Company's authorised, issued and fully paid share capital are as follows:

	'000	*RMB'000*
1		
As at 1 January 2022	768,409	768,409
Issue of Shares under restricted shares incentive schemes *(N ( ))*	2,590	2,590
Repurchase and cancellation of shares under restricted shares incentive schemes *(N ( ))*	(70)	(70)
Private placement *(N ( ))*	125,673	125,673
Conversion of capital reserve into share capital *(N ( ))*	384,204	384,204
As at 31 December 2022 and 1 January 2023	1,280,806	1,280,806
Issue of Shares under restricted shares incentive schemes *(N ( ))*	921	921
Repurchase and cancellation of shares under restricted shares incentive schemes *(N ( ))*	(44)	(44)
Private placement *(N ( ))*	63,424	63,424
As at 31 December 2023 and 1 January 2024	1,345,107	1,345,107
Repurchase and cancellation of shares under restricted shares incentive schemes *(N ( ))*	(2,150)	(2,150)
As at 31 December 2024 and 1 January 2025	1,342,957	1,342,957
Repurchase and cancellation of shares under restricted shares incentive schemes *(N ( ))*	(1,065)	(1,065)
Issue of Shares under restricted shares incentive schemes *(N ( ))*	6,232	6,232
As at 30 September 2025	1,348,124	1,348,124
As at 1 January 2024	1,345,107	1,345,107
Repurchase and cancellation of shares under restricted shares incentive schemes *(N ( )) (U)*	(2,150)	(2,150)
As at 30 September 2024 *(U)*	1,342,957	1,342,957

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

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(xi) to formulate proposals for amendments to the Articles of Association;

(xii) to manage the Company's information disclosure affairs;

(xiii) to propose to the general meeting the engagement or replacement of the accounting firm responsible for auditing the Company;

(xiv) to hear the general manager's work reports and evaluate the general manager's performance; and

(xv) to exercise other powers as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the stock exchange where the Company's shares are listed, the Articles of Association, or as authorised by the general meeting.

The chairman of the Board shall exercise the following functions and powers:

(i) to preside over the General Meetings and to convene and preside over meetings of the Board of Directors;

The following unaudited [REDACTED] st Appendix I to this document, and adjusted as describ

The unaudited [REDACTED] statement of adjust the Group attributable to owners of the Company purposes only and, because of its hypothetical nature, consolidated net tangible assets of the Group attributa 30 September 2025 or at any future dates following th

	30 2025		30 2025	30	2025
	RMB'000 (*N 1*)	*RMB'000* (*N 2*)	*RMB'000*	*RMB* (*N 3*)	*HK$* (*N 4*)
Based on minimum indicative [REDACTED] of HK$[REDACTED] per Share	9,843,414	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on maximum indicative [REDACTED] of HK$[REDACTED] per Share	9,843,414	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

N :

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A , A B A A
A B A A A ”

A	B	A

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This appendix contains a summary of the principal provisions of the Articles of Association of the Company adopted on 19 June 2025, which will take effect upon the [REDACTED] of H Shares on the Hong Kong Stock Exchange. The primary purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company. Accordingly, it may not contain all the information that may be considered material or relevant by potential investors.

The issuance of shares by the Company shall follow the principles of openness, fairness, and impartiality. Each share of the same class shall carry equal rights. Shares of the same class issued at the same time shall be issued under the same conditions and at the same price. All entities or individuals subscribing for such shares shall pay the same consideration for each share.

The Company may, in accordance with applicable laws and regulations and subject to a resolution adopted by the General Meeting, increase its share capital as required for its business operations and development by one or more of the following means:

(i) issuing shares to unspecified investors;

(ii) issuing shares to specific investors;

(iii) distributing bonus shares to existing shareholders;

(iv) converting capital reserves into share capital; and/or

(v) any other methods permitted by law, administrative regulations, and the rules of the China Securities Regulatory Commission (CSRC).

The Company may reduce its registered capital. Any reduction of registered capital shall be carried out in accordance with the procedures prescribed by the PRC Company Law, other applicable laws and regulations, and the Articles of Association.

The Company shall notify its creditors within ten (10) days from the date on which the resolution for the reduction of registered capital is passed by the General Meeting, and shall make a public announcement within thirty (30) days after the resolution approving the reduction has been adopted. Creditors shall have the right, within thirty (30) days from the date of receipt of the notice or, if no such notice is received, within forty-five (45) days from the date of the public announcement, to require the Company to settle its debts or provide a corresponding guarantee.

The Company may repurchase its own shares in accordance with applicable laws, administrative regulations, departmental rules and the Articles of Association under any of the following circumstances:

(i) for the purpose of reducing the Company's registered capital;

(ii) in connection with a merge with another company that holds shares in the Company;

(iii) for use in employee stock ownership plans or equity incentive schemes;

(iv) upon request by shareholders who object to resolutions adopted at a general meeting regarding the merger or division of the Company, requiring the Company to repurchase their shares;

(v) for conversion into shares of the Company of convertible corporate bonds issued by the Company; or

(vi) where necessary for the Company to protect its value and the shareholders' equity interest.

The Company shall not engage in the trading of its own shares except in the circumstances set out above.

Where the Company repurchases its own shares pursuant to items (i) and (ii) of paragraph 1, such repurchase shall be subject to a resolution of the general meeting. Where the repurchase is conducted pursuant to items (iii), (v) and (vi) of paragraph 1, it shall be approved by a resolution of the Board of Directors passed at a meeting attended by more than two-thirds (2/3) of the directors.

Where the Company repurchases its own shares in accordance with the provisions of paragraph 1, the following requireT.9(11549.2(11549.no)2.)-7((r)-.((rh)-4.6(rb)-2.0-4.5appJ2.1831-v))y:-2.

Directors and senior management personnel shall declare to the Company their shareholdings in the Company and any changes thereto. During their term of office, the annual transfer of their shares of the same class shall not exceed 25% of their total holdings of such class of shares in the Company. The shares held by such persons shall not be transferred within one (1) year from the date on which the Company's shares are listed and traded. Within six (6) months after their resignation, such persons shall not transfer the shares they hold in the Company.

Where laws, administrative regulations or the listing rules of the stock exchange at the place where the Company's shares are listed impose additional restrictions on the transfer of the Company's shares, such provisions shall prevail.

The Company shall not accept its shares as the subject matter of a pledge.

The Company shall establish a register of shareholders based on the records provided by the securities registration and clearing institution. The register of shareholders shall serve as conclusive evidence of shareholders' shareholdings in the Company. Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

The shareholders of the Company shall be entitled to the following rights:

(i) to receive dividends and other forms of distribution in proportion to their shareholdings;

(ii) to request the convening of, convene, preside over, attend, or appoint proxies to attend shareholders' general meetings and exercise voting rights accordingly;

(iii) to supervise the Company's operations and submit suggestions or inquiries;

(iv) to transfer, donate, or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;

(v) shareholders shall have the right to inspect and make copies of Articles of Association, the register of shareholders, minutes of general meetings, resolutions of the Board of Directors, and financial accounting reports. Shareholders who meet the prescribed requirements may also inspect the Company's accounting books and accounting vouchers;

(vi) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;

(vii) to request the Company to repurchase their shares if they object to resolutions of the shareholders' general meeting regarding mergers or divisions of the Company; and

(viii) other rights provided by laws, administrative regulations, departmental rules, securities regulatory rules at the place where the Company's shares are listed, or the Articles of Association.

Shareholders' requesting to inspect or make copies of relevant documents of the Company shall comply with the PRC Company Law, Securities Law of the People's Republic of China, and other applicable laws, administrative regulations, and securities regulatory rules where the Company's shares are listed.

The shareholders of the Company shall undertake the following obligations:

(i) to comply with laws, administrative regulations, and the Articles of Association;

(ii) to pay subscription monies for the shares they have subscribed for, according to the agreed subscription terms and method;

(iii) not to withdraw their capital contributions except as otherwise permitted by laws or regulations;

(iv) not to abuse shareholder rights to harm interests of the Company or other shareholders; not to abuse the Company's independent legal personality or the limited liability of shareholders to harm the interests of the Company's creditors; and

(v) such other obligations as may be required under laws, administrative and the Articles of Association.

Shareholders who abuse their rights and thereby cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders who abuse the Company's status as an independent legal entity and the limited liability of shareholders to evade debts and thereby materially prejudice the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

The Shareholders' General Meeting is the organ of authority of the Company and shall, in accordance with the law, exercise the following powers:

(i) to elect and replace directors who are not employee representatives and determine matters relating to the remuneration of such directors;

(ii) to consider and approve the reports of the Board of Directors;

(iii) to consider and approve the Company's profit distribution plan and plan for making up losses;

(iv) to adopt resolutions on the increase or reduction of the registered capital of the Company;

(v) to adopt resolutions on the issuance of bonds by the Company;

(vi) to adopt resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to determine matters relating to the repurchase of the Company's shares in the circumstances set out in Article 25, paragraph 1, items (i) and (ii) of the Articles of Association;

(ix) to adopt resolutions on the appointment or dismissal of the accounting firm responsible for the audit of the Company;

(x) to consider and approve the guarantees as set out in Article 47 of the Articles of Association;

(xi) to consider and approve any proposed purchase or sale of significant assets by the Company within one (1) year that exceeds thirty percent (30%) of the Company's total audited assets as at the most recent accounting period;

(xii) to consider and approve equity incentive plans and employee stock ownership plans;

(xiii) to consider and approve any proposed changes to the use of proceeds raised from financing activities;

(xiv) to consider and approve transaction-related matters as prescribed in Articles 48 and 49 of the Articles of Association; and

(xv) to consider and approve other matters that are required by laws, administrative regulations, departmental rules, the securities regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association to be decided by the General Meeting of Shareholders.

The Shareholders' General Meeting may authorise the Board of Directors to adopt resolutions on the issuance of bonds by the Company.

The Company shall convene an extraordinary general meeting within two (2) months from the date of occurrence of any of the following circumstances:

(i) the number of directors falls below the statutory minimum required by the PRC Company Law or less than two-thirds (2/3) of the number of directors as specified in the Articles of Association;

(ii) the Company's uncovered losses amount to one-third (1/3) of its total share capital;

(iii) a shareholder or shareholders holding individually or in aggregate ten percent (10%) or more of the Company's shares so request;

(iv) the Board of Directors considers it necessary;

(v) the Audit Committee proposes to convene such a meeting; or

(vi) Other circumstances as stipulated by laws, administrative regulations, departmental rules, he listing rules of the stock exchange(s) where the Company's shares or GDRs are listed, or the Articles of Association.

The independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting upon the approval of more than half of all independent directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback indicating whether it agrees to convene the extraordinary general meeting within ten (10) days of receiving such a proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of the general meeting within five (5) days after the resolution of the Board is made.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting and shall submit such proposal in writing. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of

The notice of a general meeting shall include the following particulars:

(i) the date, venue and duration of the meeting;

(ii) the matters and proposals to be submitted for consideration at the meeting;

(iii) a prominent statement that all shareholders are entitled to attend the general meeting, and may appoint a proxy in writing to attend and vote at the meeting on their behalf, and that such proxy need not be a shareholder of the Company;

(iv) the record date for determining the shareholders entitled to attend the meetings;

(v) the name and telephone number of the permanent contact person for the meeting; and

(vi) the time and procedures for voting by way of online or other means;

Resolutions of the general meeting shall be classified into ordinary resolutions and special resolutions.

A special resolution shall be passed by more than two-thirds (2/3) of the voting rights represented by shareholders (including proxies) attending the general meeting.

The following matters shall be approved by way of ordinary resolution at a general meeting:

(i) the appointment and removal of members of the Board of Directors, as well as their remuneration and the method of payment;

(ii) the report of the Board of Directors on its work;

(iii) the profit distribution plan and the plan for making up losses as proposed by the Board of Directors;

(iv) changes in the use of proceeds raised;

(v) the appointment, remuneration, and dismissal of the accounting firm; and

(vi) other matters that are neither required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, nor by the Articles of Association to be passed by special resolution.

Directors of the Company shall be natural persons and may include executive directors, non-executive directors, and independent directors, including at least one professional accountant.

The Board of Directors of the Company shall consist of seven (7) directors, including three (3) independent directors and one (1) employee representative director. The Board shall have one (1) Chairman and may have one (1) Vice Chairman.

The Board of Directors shall exercise the following powers in accordance with the law and the provisions of the Articles of Association:

(i) to convene general meetings and report to the general meeting on its work;

(ii) to implement resolutions passed by the general meeting;

(iii) to determine the Company's business plans and investment proposals;

(iv) to formulate the Company's profit distribution plans and plans for making up losses;

(v) to formulate plans for increasing or reducing the registered capital of the Company, and for the issuance of bonds or other securities and listing thereof;

(vi) to formulate significant acquisition, share repurchase, merger, division, dissolution, or change of corporate form proposals of the Company;

(vii) to decide on matters including external investment, acquisition or disposal of assets, asset pledges, external guarantees, entrusted wealth management, connected transactions, and donations to external parties within the scope

(xi) to formulate proposals for amendments to the Articles of Association;

(xii) to manage the Company's information disclosure affairs;

(xiii) to propose to the general meeting the engagement or replacement of the accounting firm responsible for auditing the Company;

(xiv) to hear the general manager's work reports and evaluate the general manager's performance; and

(xv) to exercise other powers as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the stock exchange where the Company's shares are listed, the Articles of Association, or as authorised by the general meeting.

The chairman of the Board shall exercise the following functions and powers:

(i) to preside over the General Meetings and to convene and preside over meetings of the Board of Directors;

An extraordinary meeting of the Board of Directors shall be convened and presided over by the Chairman within ten (10) days under any of the following circumstances:

(i) when proposed by shareholders representing more than one-tenth (1/10) of the voting rights;

(ii) when the Chairman deems it necessary;

(iii) when jointly proposed by more than one-third (1/3) of the Directors;

(iv) when jointly proposed by more than one-half (1/2) of the independent Directors; or

(v) when proposed by the Audit Committee.

Notice of an extraordinary Board meeting shall be given to all Directors at least three (3) days before the meeting is held. In cases of emergency where the meeting must be convened urgently, notice may be given at any time by telephone or other oral means, and the time limit for giving notice may be waived. However, the convener shall provide an explanation at the meeting, which shall be recorded in the meeting minutes.

A meeting of the Board of Directors shall be held only when more than one-half of the Directors are present. A resolution of the Board shall be adopted only by the affirmative vote of more than one-half of all Directors, unless otherwise provided by laws, regulations, or the Articles of Association. Voting on Board resolutions shall follow the principle of one person, one vote.

The Board of Directors shall establish an Audit Committee, which shall exercise the functions and powers of the Supervisory Board as stipulated under the PRC Company Law.

The Audit Committee shall consist of three (3) members, all of whom shall be non-executive directors or Independent Directors who do not hold any senior management positions within the Company. Among them, two (2) shall be Independent Directors, and the convener shall be an accounting professional selected from among the Independent Directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing internal and external audit activities, and overseeing internal control. The following matters shall be submitted to the Board of Directors for consideration only after receiving the approval of more than half of all members of the Audit Committee:

(i) disclosure of financial information in financial reports and periodic reports, and reports on the evaluation of internal controls;

(ii) engagement or dismissal of the accounting firm responsible for the Company's audit;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes in accounting policies or accounting estimates, or correction of material accounting errors, except where such changes result from amendments to accounting standards; and

(v) other matters as prescribed by laws, administrative regulations, the CSRC, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Resolutions of the Audit Committee shall be adopted by a majority vote of its members.

The Company shall have one (1) General Manager, who shall be appointed or dismissed by resolution of the Board of Directors.

The Company may have several Deputy General Managers, who shall also be appointed or dismissed by resolution of the Board of Directors

The General Manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(i) to preside over the Company's production and operational management, organise the implementation of resolutions of the Board of Directors, and report to the Board on the execution thereof;

(ii) to organise and implement the Company's annual business plan and investment proposals;

(iii) to propose the structure of the Company's internal management organisation;

(iv) to propose the Company's basic management policies;

(v) to formulate specific rules and regulations of the Company;

(vi) to submit proposals to the Board of Directors regarding the appointment or dismissal of the Deputy General Managers and financial controller (the chief financial officer);

(vii) to decide on the appointment or dismissal of managerial personnel other than those whose appointment or dismissal shall be determined by the Board of Directors;

(viii) to propose the remuneration, welfare, rewards, and punishments for Company staff, and to determine the employment and dismissal of employees;

(ix) to, within the authorization of the Board of Directors and in accordance with the Articles of Association, sign various contracts, agreements, and other legal documents related to the Company's daily operations and business activities on behalf of the Company; and

(x) other powers conferred by the Articles of Association or by the Board of Directors.

The General Manager shall attend meetings of the Board of Directors as a non-voting participant.

The Company shall appoint a Board Secretary, who shall be responsible for organising the meetings of the General Meeting and the Board of Directors, keeping relevant documentation, managing the Company's shareholder information, and handling matters related to information disclosure.

The Board Secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Articles of Association do not contain any specific provisions regarding how the Directors may exercise or delegate the power to borrow. However, the Board of Directors shall have the authority to make proposals in relation to the issuance of bonds of the Company.

The Company shall formulate its financial and accounting systems in accordance with applicable laws, administrative regulations, and the requirements of relevant state authorities.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange within four (4) months after the end of each fiscal year. The Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange within two (2) months after the end of the first half of each fiscal year.

The aforementioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, rules of the CSRC, and the regulations of the stock exchange where the Company's shares are listed.

The Company shall attach importance to providing reasonable returns to investors, particularly minority shareholders. On the premise of meeting the funding requirements for normal business operations, the Company shall formulate a shareholder return plan and implement a continuous and stable profit distribution policy.

Provided that the conditions for profit distribution are met, the Company shall distribute profits once per year. The Company may also conduct interim dividends based on its profitability and capital needs. The specific form and distribution ratio shall be proposed by the Board of Directors based on the Company's operating conditions and relevant regulations, and submitted to the General Meeting for approval.

Profit distribution may take the form of cash, shares, or a combination of both. On the premise of ep

The Company may be dissolved for any of the following reasons:

(i) the expiry of the business term specified in the Articles of Association or the occurrence of any other dissolution event as stipulated therein;

(ii) a resolution on dissolution adopted by the General Meeting;

(iii) dissolution required due to merger or division of the Company;

(iv) revocation of the Company's business licence, an order for closure, or the Company being deregistered in accordance with the law; or

(v) where the Company experiences signi

Upon acceptance of the bankruptcy application by the Court, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator appointed by the Court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report for confirmation by the General Meeting or the Court and submit it to the Company's registration authority to apply for deregistration.

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Our Company was established as a limited liability company under the laws of the PRC on 17 September 2003, and was converted into a joint stock limited company on 3 September 2008. Our Company completed the listing of our A Shares on ChiNext of the Shenzhen Stock Exchange under the stock code 300568 in December 2016 and the GDR Offering on SIX Swiss Exchange under the stock symbol SENIOR in December 2023.

Our Company has established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre No. 248 Queen s Road East Wan Chai Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on July 14, 2025. Ms. Jian Xuegen has been appointed as our agent for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in *R r* *O r* and Appendix III to this document, respectively.

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Save as disclosed in *H r* *C r r S r r* in this document, there has been no alteration in the share capital of our Company within the two years

(c) subject to the completion of the [REDACTED], the Articles of Association has been approved and adopted, which shall only become effective on the [REDACTED] Date, and our Board has been authorised to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(d) authorising our Board and its authorised persons to handle all relevant matters relating to, among other things, the [REDACTED], the issue of H Shares and the [REDACTED].

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The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

(a) the [REDACTED].

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(a) Trademarks

As at the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

1.	SENIOR	Our Company	PRC	1	8834157	13 March 2032
2.	SENIOR	Our Company	PRC	7	8834190	27 November 2031
3.	SENIOR	Our Company	PRC	17	8834313	13 August 2032
4.	SENIOR	Our Company	PRC	17	11226060	6 February 2035
5.	TOKO	Our Company	PRC	17	6238397	13 March 2030
6.	SENIOR	Our Company	PRC	17	6395194	20 March 2030
7.	SENIOR	Our Company	PRC	35	8834243	20 November 2032

8.		Our Company	PRC	40	8834287	27 December 2031
9.		Our Company	PRC	10	45390927	6 June 2031
10.		Our Company	PRC	24	45390936	6 November 2032

(b) Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

1	An extraction method for the production of polyolefin based microporous membranes (一□□於□□聚烯烴□微 膜的萃取方法)	Our Company	Invention patent	200610034602.4	22 March 2006	21 March 2026
2	A polyolefin microporous membrane preparation method (一□聚烯烴微膜□□方法)	Our Company	Invention patent	200910109633.5	16 November 2009	15 November 2029
3	A method of preparing polyolefin microporous membrane with uniform structure (一□結□均 的聚烯烴微 膜□□方法)	Our Company	Invention patent	200910109634.X	16 November 2009	15 November 2029
4	Method of regulating the formation of a polyolefin microporous membrane and formation of a lithium battery diaphragm (控聚烯烴微 膜形 的方法和 電池隔膜的形 方法)	Our Company	Invention patent	200910189917.X	28 August 2009	27 August 2029
5	A method of preparing a polyolefin microporous membrane with symmetric upper and lower surface structures (一□上 □□結□對□的聚烯烴微 膜□□方法)	Our Company	Invention patent	200910109637.3	16 November 2009	15 November 2029
6	Method of forming polypropylene flake crystals and flake crystal type polypropylene products (聚 烯□晶的形 方法和□晶型聚 烯□品)	Our Company	Invention patent	200910110691.X	21 October 2009	20 October 2029
7	Polyolefin microporous membrane preparation method and its application (聚烯烴微 膜□□方法及其□□)	Our Company	Invention patent	201010542557.X	12 November 2010	11 November 2030

8	Polyolefin microporous membrane preparation method and its application (聚烯煙微 膜□□方法及其□□)	Our Company	Invention patent	10 2013 7014611	27 December 2010	26 December 2030
9	A ceramic coated diaphragm and its preparation method(一□陶瓷□□□隔膜及其□□方法)	Foshan Senior	Invention patent	201110438784.2	23 December 2011	22 December 2031
10	Composite barrier film and its formation method (□合隔膜及其形 方法)	Our Company	Invention patent	201110260066.0	5 September 2011	4 September 2031
11	A kind of composite diaphragm and its preparation method (一□□合隔膜及其□□方法)	Our Company	Invention patent	201310482147.4	15 October 2013	14 October 2033
12	A kind of polymer inorganic coating lithium ion battery diaphragm and its preparation method (一□高分子□□□層 離子電池隔膜及其□□方法)	Our Company	Invention patent	201310675019.1	10 December 2013	9 December 2033
13	A kind of coated composite diaphragm and its preparation method (一□□層□合隔膜及其□□方法)	Our Company	Invention patent	201310554806.0	7 November 2013	6 November 2033
14	A method of preparing a microporous diaphragm and a microporous diaphragm (一□微 隔膜的□□方法及微 隔膜)	Our Company	Invention patent	201310671834.0	10 December 2013	9 December 2033
15	A preparation method of high strength microporous lithium ion battery diaphragm and battery diaphragm (一□高強度微 離子電池隔膜的□□方法及電池隔膜)	Our Company	Invention patent	201310671838.9	10 December 2013	9 December 2033
16	Method of preparing ultra thin high strength polyolefin microporous membrane and polyolefin microporous membrane (超薄高強聚烯煙微 膜的□□方法及聚烯煙微 膜)	Our Company	Invention patent	201410168426.8	23 April 2014	22 April 2034
17	High solid content aqueous ceramic paste for lithium ion battery separator and its processing method (離子電池隔膜的高□含量 性陶瓷□料及其加 方法)	Our Company	Invention patent	201410670329.9	20 November 2014	19 November 2034
18	Cooling method for lithium ion battery diaphragm casting process (□於 離子電池隔膜流延 序的冷卻方法)	Our Company	Invention patent	201510012761.3	8 January 2015	7 January 2035
19	Preparation method of a high safety multilayer lithium battery separator (一□高安全性的多層 電池隔膜的□□方法)	Our Company	Invention patent	201510366657.4	26 June 2015	25 June 2035

20	Preparation method of a high performance inter hole coated diaphragm (一□高性能 □□□隔膜的□□方法)	Our Company	Invention patent	201510623927.5	25 September 2015	24 September 2035
21	A dry unidirectional stretch diaphragm and its preparation method (一□ 法□向 伸隔膜及其□□方法)	Our Company	Invention patent	201510736830.5	3 November 2015	2 November 2035
22	A heat treatment method for dry lithium diaphragms (一□針對 法 電隔膜的□處理方法)	Our Company	Invention patent	201510737504.6	3 November 2015	2 November 2035
23	A dry unidirectional stretch diaphragm with uniform pore formation and its preparation method (一□ 均 的 法□向 伸隔膜及其□□方法)	Our Company	Invention patent	201510998677.3	28 December 2015	27 December 2035
24	A highly elastic ion conducting coating slurry and its lithium ion battery diaphragm preparation method (一□高彈性導離子□層□料及其 離子電池隔膜□□方法)	Our Company	Invention patent	201511003728.0	28 December 2015	27 December 2035
25	A kind of poly 4 methyl 1 pentene lithium ion battery diaphragm and its preparation method (一□聚4 □基 1 烯 離子電池隔膜及其□□方法)	Our Company	Invention patent	201511030230.3	31 December 2015	30 December 2035
26	A kind of boehmite for lithium battery diaphragm coating and its hydrothermal preparation method (一□ 電池隔膜□層□ 姆石及其□□□方法)	Our Company	Invention patent	201610512184.9	30 June 2016	29 June 2036
27	A method of preparing a porous polyethylene film (一□多 聚 烯膜的□□方法)	Our Company	Invention patent	201610953135.9	3 November 2016	2 November 2036
28	A method of preparing a polyolefin microporous membrane (一□聚烯烴微 膜的□□方法)	Our Company	Invention patent	201611090422.8	1 December 2016	30 November 2036
29	A multilayer microporous membrane and its preparation method (一□多層微 膜及其□□方法)	Our Company	Invention patent	201611257600.1	30 December 2016	29 December 2036
30	A preparation method of lithium ion battery diaphragm (一□ 離子電池隔膜的□□方法)	Our Company	Invention patent	201611222663.3	27 December 2016	26 December 2036
31	A lithium ion battery coated diaphragm and its preparation method (一□ 離子電池□□隔膜及其□□方法)	Our Company	Invention patent	201611225191.7	27 December 2016	26 December 2036

32	A method of preparing a structurally uniform microporous membrane for lithium ion batteries (一□結□均的 離子電池微 膜的□□方法)	Our Company	Invention patent	201710315455.6	8 May 2017	7 May 2037
33	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法)	Our Company	Invention patent	201710445470.2	13 June 2017	12 June 2037
34	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company	Invention patent	15/683674	22 August 2017	21 August 2037
35	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	18793160.5	11 May 2018	10 May 2038
36	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	PL18793160T	11 May 2018	10 May 2038
37	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
38	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
39	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
40	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一□多□ □殼結□凝膠聚合□□□隔膜及其□□方法□□□)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038

41	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
42	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
43	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	DK2018793160T	11 May 2018	10 May 2038
44	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	FI2018793160T	11 May 2018	10 May 2038
45	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
46	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company, SENIOR MATERIAL (EUROPE) AB	Invention patent	2018793160	11 May 2018	10 May 2038
47	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company	Invention patent	2018 557138	11 May 2018	10 May 2038
48	A multinuclear monoshell structured gel polymer coated diaphragm and its preparation method and application (一▫多▫ ▫殼結▫凝膠聚合▫▫▫隔膜及其▫▫方法▫▫▫)	Our Company	Invention patent	10 2018 7031544	11 May 2018	10 May 2038
49	Preparation method of a multilayer microporous membrane for lithium ion batteries (一▫ 離子電池▫多層微 膜的▫▫方法)	Our Company	Invention patent	201710315488.0	8 May 2017	7 May 2037

No.	Patent	Registered Owner	Type	Patent Number	Application Date	Expiry Date
50	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	201710470496.2	20 June 2017	19 June 2037
51	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037
52	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	PL2017895498T	29 December 2017	28 December 2037
53	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	DE602017047751	29 December 2017	28 December 2037
54	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037
55	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037
56	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037
57	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	HUE17895498	29 December 2017	28 December 2037
58	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037
59	A preparation method of ceramic and polymer composite coated lithium ion diaphragm ( )	Our Company	Invention patent	17895498.8	29 December 2017	28 December 2037

60	A preparation method of ceramic and polymer composite coated lithium ion diaphragm (一▫陶瓷和聚合▫▫合▫▫ 離子隔膜的▫▫方法)	Our Company	Invention patent	2018 542702	29 December 2017	28 December 2037
61	A preparation method of ceramic and polymer composite coated lithium ion diaphragm (一▫陶瓷和聚合▫▫合▫▫ 離子隔膜的▫▫方法)	Our Company	Invention patent	16/078188	29 December 2017	28 December 2037
62	Dry unidirectional drawing process for lithium ion battery separators, lithium ion battery separators and lithium ion battery (離子電池隔膜的 法▫向 伸 藝、 離子電池隔膜和 離子電池)	Our Company	Invention patent	201710741025.0	25 August 2017	24 August 2037
63	A multilayer composite film and its preparation method (一▫多層▫合膜及其▫▫方法)	Our Company	Invention patent	201711347873.X	14 December 2017	13 December 2037
64	A composite lithium battery separator and its preparation method (一▫▫合 電池隔膜及其▫▫方法)	Our Company	Invention patent	201880000766.6	26 June 2018	25 June 2038
65	A composite lithium battery separator and its preparation method (一▫▫合 電池隔膜及其▫▫方法)	Our Company	Invention patent	2020 570121	26 June 2018	25 June 2038
66	A composite lithium battery separator and its preparation method (一▫▫合 電池隔膜及其▫▫方法)	Our Company	Invention patent	10 2021 7002501	26 June 2018	25 June 2038
67	A composite lithium battery separator and its preparation method (一▫▫合 電池隔膜及其▫▫方法)	Our Company	Invention patent	17/254,870	26 June 2018	25 June 2038
68	A kind of battery, battery diaphragm and its preparation method (一▫電池法池隔膜及其▫▫方法)	Our Company, Jiangsu Senior	Invention patent	1.2(nt)]TJ-0.0047 Tc[(1.reO6(1)1GW.(5)-6(t)2.7(2pan)10h.4(y)1)-455.3(May)-466.2(2)-.1(0)10.8(1)-.1(9)-13(May)-2038	15 May 2015	May 2039
69	A kind of battery, battery diaphragm and its preparation method (一▫電池、電池隔膜及其▫▫方法)	Our Company, Jiangsu Senior	Invention patent	10 2020 7024767	6 May 2019	5 May 2039
70	A kind of battery, battery diaphragm and its preparation method (一▫電池、電池隔膜及其▫▫方法)	Our Company, Jiangsu Senior	Invention patent	1.1(nt)]Tc[(1.reO6(1)1GW.(5)-6(t)2.7(2pan)10h.4(y)1)-455.3(May)-466.2(2)-.1(0)10.8(1)-.1(9)- 1nd its preparation method (一▫		

63 A multilayer d of battery, batt2m
2nd its preparation method (一▫

73	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
74	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
75	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
76	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
77	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
78	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
79	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法)	Our Company, Jiangsu Senior	Invention patent	19802545.4	6 May 2019	5 May 2039
80	A kind of battery, battery diaphragm and its preparation method (一□電池、電池隔膜及其□□方法　方法　方法　法					

85	Coating solutions for lithium ion batteries, lithium ion battery separators and lithium ion batteries (□於 離子電池的□佈液、 離子電池隔膜和 離子電池)	Our Company	Invention patent	201811012528.5	31 August 2018	30 August 2038
86	A kind of functional diaphragm and its preparation method (一□ 能隔膜及其□□方法)	Our Company	Invention patent	201811431335.3	26 November 2018	25 November 2038
87	A ceramic slurry and ceramic coated diaphragm (一□陶瓷□料和陶瓷□□隔膜)	Our Company	Invention patent	201910725125.3	7 August 2019	6 August 2039
88	Diaphragms, their manufacturing methods, and batteries (隔膜及其□造方法 及電池)	Our Company	Invention patent	201910416813.1	20 May 2019	19 May 2039
89	A multilayer polypropylene microporous membrane and its preparation method and application (一□多層聚 烯微 膜及其□□方法和□□)	Our Company	Invention patent	202010786045.1	6 August 2020	5 August 2040
90	Coating paste for lithium ion battery diaphragm and its preparation method, lithium ion battery diaphragm, and lithium ion battery (離子電池隔膜□□□□料及其□□方法、 離子電池隔膜 及 離子電池)	Our Company	Invention patent	202010692483.1	17 July 2020	16 July 2040
91	Compositions, composite diaphragms and preparation methods thereof, and lithium ion batteries (組合□、□合隔膜及其□□方法 及 離子電池)	Our Company	Invention patent	2022 549092	17 April 2020	16 April 2040
92	Polypropylene diaphragm, its preparation method and lithium ion battery (聚 烯隔膜及其□□方法和 離子電池)	Our Company	Invention patent	202010484271.4	1 June 2020	31 May 2040
93	A kind of lithium ion battery diaphragm and its production process (一□ 離子電池隔膜及其□□ 藝)	Changzhou Senior	Invention patent	202011044739.4	28 September 2020	27 September 2040
94	Diaphragms, diaphragm rolls, cells and lithium power batteries (隔膜、隔膜卷、電□ 及動力 電池)	Jiangsu Senior, Our Company	Invention patent	202010503541.1	4 June 2020	3 June 2040
95	Coated slurry, coated diaphragm and preparation method thereof (□□□料、□□隔膜及其□□方法)	Jiangsu Senior	Invention patent	202110702598.9	23 June 2021	22 June 2041
96	Coupling agent compositions, ceramic pastes, and battery separators (□聯組合□、陶瓷□料 及電池隔膜)	Jiangsu Senior, Our Company	Invention patent	202111012555.4	31 August 2021	30 August 2041

97	A kind of composite diaphragm and its preparation method (一□□合隔膜及其□□方法)	Jiangsu Senior	Invention patent	202110509821.8	10 May 2021	9 May 2041
98	Diaphragm slitting methods and adjustment of diaphragm slitting process parameters (隔膜分 方法及隔膜分 藝參數的 整方法)	Jiangsu Senior	Invention patent	202110498347.3	8 May 2021	7 May 2041
99	A coating diaphragm drying process (一□□層隔膜烘 藝)	Jiangsu Senior	Invention patent	202110538609.4	17 May 2021	16 May 2041
100	Three layer lithium battery separator and its preparation method 已層電池隔膜及其□□方法)	Nantong Senior	Invention patent	2023100232879	9 January 2023	8 January 2043
101	A method of determining a base film production process (一□基膜□□藝的□定方法)	Changzhou Senior	Invention patent	202410931913.9	12 July 2024	11 July 2044

(c) Copyrights

As at the Latest Practicable Date, we had registered the following copyrights in the nature of works which we consider to be material to our Group s business:

1.	Yuanzai (源仔)	Our Company	2023-F-00254554	27 October 2023	31 December 2072

(d) Domain Names

As at the Latest Practicable Date, we owned the following domain names in the PRC which we consider to be or may be material to our business:

1.	senior798.com	Our Company	4 December 2025

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1

Each of the Directors [has entered into] a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

2

Save as disclosed in *D r r S r M* and under *A R r N H r F I r 9. E B E* in Appendix I to this document, no Director received other remuneration or benefits in kind from our Company in respect of each of the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025.

3

Interests and Short Positions of our Directors in the Registered Capital of our Company or our Associated Corporations following Completion of the [REDACTED]

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests or short positions of our Directors and chief executives in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model

Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to our Company and the Stock Exchange are set out below:

Prof. Chen	Beneficial owner	170,489,491	12.67%	170,489,491 A Shares	12.67%	[REDACTED]%
	Interest of spouse	346,700	0.03%	346,700 A Shares	0.03%	[REDACTED]%

N :

(1) The calculations are made assuming the [REDACTED] is not exercised.

(2) Ms. Chen, as the spouse of Prof. Chen, is interested in 346,700 A Shares. As such, by virtue of the SFO, Prof. Chen is deemed to be interested in the Shares held by Ms. Chen.

Interests and Short Positions Disclosable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Directors or chief executive, who immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, please see *S r r* .

Interests of substantial shareholders in members of our Group (excluding our Company)

As at the Latest Practicable Date, to the best knowledge of our Directors, the following persons (other than members of our Group) were interested in 10% or more of the voting rights at general meetings of our subsidiaries:

Hefei Senior	Hefei Urban Construction Investment Holdings Co., Ltd. (合肥城建投資控股有限公司)	30.77%
	Hefei Guoxuan High-tech Power Energy Co., Ltd. (合肥國軒高科動力能源有限公司)	27.69%
Foshan Senior	Foshan Lanhai Huizhi Investment Management Co., Ltd. (佛山市瀾海匯智投資管理有限公司)	40%
Senior-Famous New Material (Europe) Gmbh	Famous Industrial Group GmbH	10%

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The following is a summary of the principal terms of our Share Incentive Plans. The terms of the Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or awards by our Company to subscribe new Shares or award of Shares upon [REDACTED].

1

The purposes of the Share Incentive Plans are to further establish and improve our long-term incentive mechanism, attract and retain outstanding talents, and fully motivate their enthusiasm and innovation to enhance cohesion and core competitiveness of our Company. The Share Incentive Plans are implemented to align the interests of our Shareholders, our Company and our core team members, which is beneficial to the sustainable development of our Group and ensures the realisation of our development strategy and business objectives.

2

Under the 2023 Share Incentive Plan and the 2024 Share Incentive Plan, we may grant Share Options to eligible participants, and the A Shares underlying the Share Options under the 2023 Share Incentive Plan and 2024 Share Incentive Plan can only be issued after the vesting or exercise thereof.

3

Each of the Share Incentive Plans is subject to the approval of our Company s general meeting, administration of the Board and the supervision of the independent non-executive Directors.

4

On 28 April 2025, the Board approved the cancellation of 1,405,000 Share Options that had been granted under the 2023 Share Incentive Plan but had not yet been vested, as (i) performance target of the Company for the first vesting period of the initial Share Options thereunder was not fulfilled, and (ii) three participants resigned for personal reasons. In addition, on 30 December 2024, the Board approved the cancellation of all Share Options reserved for further grants under the 2023 Share Incentive Plan, as the Company failed to identify the grantees within the prescribed time limit.

Pursuant to the terms of the 2024 Share Incentive Plan, any Share Options (or portions thereof) reserved for further grants under the 2024 Share Incentive Plan shall be cancelled if no eligible participant is determined within 12 months after the 2024 Share Incentive Plan is approved at the Shareholders meeting on 27 September 2024 and no further grants under the 2024 Share Incentive Plan may be made after such period.

All the Share Options under the Share Incentive Plans have been granted as of the Latest Practicable Date, details of which are disclosed in this document. There are no additional Share Options available for grant under the Share Incentive Plans upon [REDACTED].

6

The term of the 2023 Share Incentive Plan and the 2024 Share Incentive Plan shall commence from the date of the completion of the grant of Share Options under the relevant Share Incentive Plans and continue until the Share Options are fully exercised or cancelled, whichever is earlier, and shall not exceed 36 months and 48 months, respectively.

The grant date of Share Options shall be determined by the Board after the approval of the Share Incentive Plans by the Shareholders at a general meeting, and must be a trading day of the Shenzhen Stock Exchange. The grant of Share Options is subject to the approval of the Board and shall be announced within 60 days after the approval of the Share Incentive Plans at a general meeting.

7

Share Options will only be granted to eligible participants if the following conditions are fulfilled:

(i) with respect to our Company, none of the following circumstances having occurred:

(A) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to our accountant s report for the most recent fiscal year;

(B) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control report contained in accountant s report for the most recent fiscal year;

(C) our Company has failed to distribute profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after our listing;

(D) implementation of any share incentive plan is prohibited under applicable laws and regulations; or

(E) any other circumstances determined by the CSRC.

(ii) with respect to a grantee, none of the following circumstances having occurred:

(A) he/she has been regarded as an inappropriate participant by a stock exchange within the last 12 months;

(B) he/she has been regarded as an inappropriate participant by the CSRC or its local office within the last 12 months;

(C) he/she has been penalised or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months;

(D) he/she is not qualified to serve as a director or senior management according to the PRC Company Law;

(E) he/she is prohibited from participating in any share incentive plans of listed companies according to applicable laws and regulations; or

(F) any other circumstances determined by the CSRC.

Under the 2023 Share Incentive Plan and the 2024 Share Incentive Plan, no consideration is paid/payable for the eligible participants to be granted Share Options.

The lock-up arrangements under the Share Incentive Plans are determined according to the Articles of Association and applicable PRC laws and regulations:

(i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(ii) if the grantee is a Director or senior management of our Company and their respective spouse, parents and child(ren), income gained through sale of Shares of our Company within six months of the purchase or repurchase of Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board; and

(iii) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the relevant Share Incentive Plans, the grantee shall comply with the amended laws and regulations and the Articles of Association.

The Share Options will be vested when (i) the conditions set out under paragraph 7 above are fulfilled; and (ii) the performance targets of our Company and the grantees as set out under the relevant Share Incentive Plans are achieved. The granted Share Options will be vested in accordance with the schedules under the relevant Share Incentive Plans subject to the exercise by the grantees as follows:

2023 Share Incentive Plan	Initial Share Options	The Share Options may be vested and exercised in two tranches of 50% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant, if the net profit attributable to the Shareholders in 2024 increases by no less than 35% compared to that of 2023 and the last trading day within the 36 months of the date of grant, if the net profit attributable to the Shareholders in 2025 increases by no less than 75% compared to that of 2023.

	Reserved Share Options	The Share Options may be vested and exercised in two tranches of 50% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant, if the net profit attributable to the Shareholders in 2024 increases by no less than 35% compared to that of 2023 and the last trading day within the 36 months of the date of grant, if the net profit attributable to the Shareholders in 2024 increases by no less than 35% compared to that of 2023.
2024 Share Incentive Plan	Initial Share Options	The Share Options may be vested and exercised in three tranches of (i) 50% if the sales volume of our Company s lithium-ion battery separator in 2024 increases by no less than 30% compared to that of 2023, (ii) 30% if the sales volume of our Company s lithium-ion battery separator in 2025 increases by no less than 60% compared to that of 2023, and (iii) 20% if the sales volume of our Company s lithium-ion battery separator in 2026 increases by no less than 137% compared to that of 2023.
	Reserved Share Options	(i) If the reserved Share Options are granted before the publication of our Company s report for the third quarter ended 30 September 2024, the vesting schedule of the reserved Share Options will be the same as that of the initial Share Options as specified above; or (ii) If the reserved Share Options are granted after the publication of our Company s report for the third quarter ended 30 September 2024, the reserved Share Options may be vested and exercised in two tranches of (i) 50% if the sales volume of our Company s lithium-ion battery separator in 2025 increases by no less than 60% compared to that of 2023, and (ii) 50% if the sales volume of our Company s lithium-ion battery separator in 2026 increases by no less than 137% compared to that of 2023.

10

The exercise price of each Share Options under the 2023 Share Incentive Plan and the 2024 Share Incentive Plan shall not be lower than the nominal value of each A Share and, in principle, shall not be lower than the higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the relevant Share Incentive Plans; and (ii) 50% of the average trading price of A

11

Subject to the other terms and conditions contained in the Share Incentive Plans, the number and/or exercise price of granted Share Options may be adjusted upon the occurrence of certain events from the date of the announcement of the relevant Share Incentive Plans to the completion of relevant registration or exercise by the grantees. These events include, as the case may be, (i) capitalisation of reserves, (ii) distribution of stock dividends, (iii) share subdivision, (iv) share consolidation, (v) rights issue, and (vi) share issuance.

12

Upon the vesting and exercise of Share Options in accordance with the relevant Share Incentive Plans, the grantees will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and right to vote at the general meeting.

13

As at the Latest Practicable Date, the number of the outstanding Share Options granted under the 2023 Share Incentive Plan and 2024 Share Incentive Plan was 1,245,000 and [REDACTED], representing approximately [REDACTED]% and [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED], respectively (assuming the [REDACTED] is not exercised). If all outstanding Share Options granted under the 2023 Share Incentive Plan and 2024 Share Incentive Plan are fully exercised, assuming the [REDACTED] is not exercised, the issued and outstanding Shares held by Shareholders following the [REDACTED] will be diluted by approximately [REDACTED]%. The dilutive effect on our earnings per share will be approximately [REDACTED]%.

The following table sets forth the details of outstanding Share Options granted under the 2023 Share Incentive Plan and 2024 Share Incentive Plan to all grantees (including Directors, senior management members and employees of our Company) under the Share Incentive Plans as at the Latest Practicable Date.

				('000)				
Directors or senior management members								
Xu Liqiang (徐 強)	Executive Director	Room 2901, No. 6, Huarun Xingfuli, Binhu District, Wuxi, Jiangsu Province, PRC	12 December 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			10 September 2024	5	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Xia Jun (夏)	Senior management of our Company	15D, No. 2, Lane 777, Zhongshan South 2nd Road, Xuhui District, Shanghai, PRC	12 December 2023	50	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	125	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Hao (浩)	Senior management of our Company	Room 201, No. 12, Lane 95, Guoquan Road, Yangpu District, Shanghai	10 September 2024	125	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%
Other connected persons								
Liu Shougui (貴)	Chief executive of our subsidiary	No. 3, Building 8, Green Island Garden, No. 416, Binjiang Road, Zhao Town, Jintang County, Sichuan Province, PRC	12 December 2023	90	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	525	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Changhong (昌紅)	Director, chief executive and supervisor of our subsidiaries	China Construction Fifth Bureau No. 7 Company Dormitory Yueyanglou District Yueyang City, Hunan Province, PRC	12 December 2023	45	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Liu Rui (瑞)	Director and chief executive of our subsidiaries	Room D501, Building 1, Honghui Pavilion, No. 38, Changchun Road, Gongming Street, Guangming District, Shenzhen, Guangdong Province, PRC	12 December 2023	45	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	125	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Liu Weiming (明)	Director and chief executive of our subsidiary	Room 703, Block C, No. 11, Weigang Road, Chancheng District, Foshan City, Guangdong Province, PRC	12 December 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	500	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	

				('000)	( )[4]	[3]		%[1]
Zhang Yingqiang (張□強)	Chief executive of our subsidiary	Dormitory of Wanfeng Xuji Electronic Products Factory in Shajing, Bao an District, Shenzhen, Guangdong Province, PRC	12 December 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	525	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wu Zhouji (吳周□)	Director of our subsidiary	Unit 2 2, Building 4, No. 11, Tongjing Road, Nan an District, Chongqing, PRC	12 December 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Xie Yuhua (謝雨華)	Supervisor of our subsidiary	402, Block D, Building 1, Phase I, Galaxy Legend Garden, No. 511 Mintang Road, Longhua District, Shenzhen, Guangdong Province, PRC	12 December 2023	45	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	125	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Zhu jun (雋)	Supervisor of our subsidiaries	5th Floor, Block A, Tongfang Information Harbour, Lang Shan Road, Nan Shan District, Shenzhen, Guangdong Province, PRC	12 December 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			10 September 2024	150	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Li Zetao (□ □)	Director of our subsidiaries	Unit 30C, Unit B1, Building 2, Xindi Central Garden, Guangming Street, Guangming District, Shenzhen, Guangdong Province, PRC	12 December 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			10 September 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	

				('000)				
Other grantees								
Zhang Weiqiang (張□強)	Middle-level management	Group 4, Dongcaodian Village, Longmen Town, Luolong District, Luoyang, Henan, PRC	December 12, 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Yongguo (永國)	Middle-level management	No.1, Xinglongqian Street, Yuanbao District, Dandong, Liaoning, PRC	December 12, 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024					

				('000)				%
Yan Hongbin (□鴻彬)	Core technical (operational) staff	5/F, Block A, Tongfang Xinxi Port, No. 11, Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	December 12, 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Zhu Jijun (□俊)	Middle-level management	Room 1, No. 42 Liangjifang Alley, Baipu Town, Rugao, Jiangsu, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Xiao Wuhua (肖武華)	Core technical (operational) staff	5th Floor, Block A, Tongfang Xinxi Port, Langshan Road, Nanshan District High-Tech Industrial Par, Shenzhen, PRC	December 12, 2023	40	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Si Junfeng (司軍峰)	Middle-level management	Room 1105, Building 5, Nancui Garden, No. 22, Yuanda Avenue, Huicheng District, Huizhou, Guangdong, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Ping Xiang (平翔)	Core technical (operational) staff	No. 2 Libin Road, Songshan Lake Science and Technology Industrial Park, Dongguan, Guangdong, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Yang Jingde (□敬德)	Middle-level management	Room 601, Block 1, Yuanhui Road, Chancheng District, Foshan, Guangdong, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Xi (□郗)	Core technical (operational) staff	5th Floor, Block A, Tongfang Xinxi Port, No. 11 Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Huang Xiaoming (黃曉明)	Middle-level management	Luban Building, No. 7024 Hongli West Road, Futian District, Shenzhen, Guangdong, PRC	December 12, 2023	20	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	500	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	

								%
					('000)	( )[4]	[3]	[1]
Ou Xiwen (歐睎文)	Core technical (operational) staff	No. 112 Shengli Road, Suxian District, Chenzhou, Hunan, PRC	December 12, 2023	70	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Lin Shengpeng (盛鹏)	Core technical (operational) staff	House 8, No.6, Xinde Longxi Xiang, Haimen Town, Chaoyang District, Shantou, Guangdong, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Jinbo (金)	Core technical (operational) staff	Room 2301, Unit B, Building 4, District 5, Lvcheng Yulan Guangchang, Wujin District, Changzhou, Jiangsu, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Fan Wenhui (文辉)	Core technical (operational) staff	No. 24, Dongjia Ziran Village, Beishan Village, Jingkou Township, Nanchang County, Nanchang, Jiangxi, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Mao Xiaoyong (毛小)	Core technical (operational) staff	Room 401, Unit 2, Building 15, Jiangnan Diyi Cheng, No. 10 Jinfeng Lu, Nancheng District, Dongguan, Guangdong, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Tian Ruhui (如辉)	Core technical (operational) staff	7th Floor, Block A, Tongfang Xinxi Port, No. 11 Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Tan Bin (譚斌)	Core technical (operational) staff	No. 9, Section 4, Renmin South Road, Wuhou District, Chengdu, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%
			September 10, 2024	262.5	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Liu Mengquan (權)	Core technical (operational) staff	No. 134 Maluan Village, Kangmei Town, Dongshan County, Fujian, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	

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Yu Guangxu (□廣旭)	Core technical (operational) staff	No. 19 Yulou, Jiangdian Village, Lanqing Township, Zhengyang County, Henan, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Yu Ping (余平)	Middle-level management	No. 888, Jiefang Dong street, Nanchang District, Wuxi, Jiangsu, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Qin Wei (. 威)	Core technical (operational) staff	Group 6, Jiufogang Village, Taohuashan Town, Shishou, Hubei, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Ao Jing (敖晶)	Core technical (operational) staff	Room 202, Unit 1, Building 1, No. 11 Laodong Street, Yushui District, Xinyu, Jiangxi, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Miao Weiwei (□□□)	Core technical (operational) staff	No. 6 Qi Road, Wenfeng Township, Wuyang County, Henan, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Guo Qin (琴)	Core technical (operational) staff	5th Floor, Block A, Tongfang Xinxi Port, No. 11 Langshan Road, Nanshan District, Shenzhen, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Cai Kunpeng (蔡昆鹏)	Core technical (operational) staff	Group 14, Xingxu Village, Konglong Town, Huangmei County, Hubei, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Lu Dongkui (鲁 奎)	Core technical (operational) staff	No. 99, Courtyard 101, Zhengfuqian Street, Liji Township, Yancheng District, Luohe, Henan, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Han Xiaojuan (□曉娟)	Core technical (operational) staff	5th Floor, Block A, Tongfang Xinxi Port, No. 11 Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	

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Zhang Chensheng (張陳晟)	Middle-level management	Room 110, No. 188 Minsheng Road, Gongming Jiedao, Guangming District, Shenzhen, Guangdong, PRC	December 12, 2023	15	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
			September 10, 2024	145	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	
Wang Yanjie (豔 ▫)	Resigned employee	5/F, Block A, Tongfang Information Port, No.11 Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	December 12, 2023	10	RMB7.16	In 2026	From November 2023 to November 2026	[REDACTED]%*
Jiang Tao (江 ▫)	Middle-level management	44 Tai Hwan Terrace Singapore 555271	September 10, 2024	50	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*

								%
				('000)				
Su Weifeng (蘇)	Core technical (operational) staff	Room 604, No. 20, Tangyuan Xi Yi street, Chancheng District, Foshan, Guangdong, PRC	September 10, 2024	40	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*

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Sun Hua (孫華)	Core technical (operational) staff	5/F, Block A, Tongfang Xinxi Port, No. 11 Langshan Road, Nanshan District, Shenzhen, Guangdong, PRC	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*
Lu Lili (陸莉莉)	Core technical (operational) staff	No. 28, Xitangbei Xiaozu, Dianxia Cun, Dujiang Town, Longnan County, Ganzhou, Jiangxi, PRC	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*
Shi Zhenghong (施正)	Middle-level management	Unit 2103 B, Building 3, Jiahong Shengshi Huayuan, Zhonglou District, Changzhou, Jiangsu, PRC	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*
Yu Xingyue (於星)	Core technical (operational) staff	No. 38, Xucheng Cun, Hengxi Jiedao, Jiangning District, Nanjing, Jiangsu, PRC	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*

				('000)				
Ma Jie (□□)	Core technical (operational) staff	No. 26, Dongtouxing, Xueku Cun, Ehu Zhen, Xishan District, Wuxi, Jiangsu	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*
Hu Kun (胡□)	Middle-level management	Building 2, Zhuohong Gaoerfu Yayuan, Baohe Road, Longgang District, Shenzhen, Guangdong	September 10, 2024	100	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%
Zeng Guanhao (曾 皓)	Middle-level management	Room 103, Unit 1, No. 14 Qingchun 2nd Street, Xiangzhou District, Zhuhai, Guangdong	September 10, 2024	30	RMB3.70	In October 2026 and 2027	From September 2024 to October 2027	[REDACTED]%*
Lin Junwei (浚□)	Core technical (operational) staff	5th Floor-1, No. 46 Kangzhuang Road, Neighbourhood 15, Luozhuang Village, Luodong Town, Yilan County, Taiwan Province	August 19, 2025	50	RMB3.70	In October 2026 and 2027	From August 2025 to October 2027	[REDACTED]%*
Chen Xuedong (陳雪□)	Core technical (operational) staff	Room 701, No. 38, Xin an Garden Phase 2, New District, Wuxi City, Jiangsu Province	August 19, 2025	40	RMB3.70	In October 2026 and 2027	From August 2025 to October 2027	[REDACTED]%*
Li Dan (旦)	Core technical (operational) staff	Room 609, Building 804, Tongyuan New Village, No. 190 Qinghai East Road, Haimen City, Jiangsu Province	August 19, 2025	40	RMB3.70	In October 2026 and 2027	From August 2025 to October 2027	[REDACTED]%*
Lin Jing (敬)	Core technical (operational) staff	Datangyuan Group, Chuangye Village, Mahu Township, Feidong County, Anhui Province	August 19, 2025	40	RMB3.70	In October 2026 and 2027	From August 2025 to October 2027	[REDACTED]%*
				7, 47.5				**%**

N :

(1) Assuming the [REDACTED] is not exercised.

(2) No employee grantees have been granted Share Options in excess of 1% of the issued Shares of our Company immediately after the [REDACTED] on a stand alone basis.

(3) Please see *(D) S r I P 9. V E r S r O* in this Appendix.

(4) Under the 2023 Share Incentive Plan and the 2024 Share Incentive Plan, no consideration is paid/payable for the eligible participants to be granted Share Options. Each grantee shall only pay the consideration at the exercise price upon vesting.

* *D [REDACTED]%*

( )

Save as disclosed in this document:

(i) none of the Directors or the experts named in (F) Other Information Consent of Experts of this Appendix has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(ii) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;

(iii) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;

(iv) our Company is not presently listed on any stock exchange or traded on any trading system;

(v) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option; and

(vi) there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested or which is significant in relation to the business of our Group.

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Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company s results of operations or financial condition.

3

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for [REDACTED] of, and permission to deal in, the H Shares of our Company. All necessary arrangements have been made to enable the H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US$400,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

4

The qualification of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document are as follows:

China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO)
King & Wood Mallesons	Legal advisor to our Company as to PRC laws
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan	an independent professional market research and consulting company
Miller, Canfield, Paddock and Stone, P.L.C.	Legal advisor to our Company as to US laws
PHANG THAM TEOH & CO	Legal advisor to our Company as to Malaysian laws

Wigge & Partners Advokat KB	Legal advisor to our Company as to Swedish laws
FRÖBERG & LUNDHOLM ADVOKATBYRA AB	Legal advisor to our Company as to environmental matters

As at the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6

The promotors of our Company at the time of our incorporation comprised all of the 50 then shareholders of our Company as at 3 September 2008 immediately before our conversion into a joint stock company with limited liability.

Within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

7

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

Our Company has appointed Goldlink Capital (Corporate Finance) Limited as our compliance advisor in compliance with Rules 3A.19 of the Listing Rules.

10

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since 30 September 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants Report in Appendix I to this document, and up to the date of this document.

11

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in,ny,ias

(d) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in or debentures of our Company or any of our subsidiaries;

(ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(iv) none of our Company or any member of our Group has any outstanding convertible debt securities or debentures;

(v) there is no arrangement under which future dividends are waived or agreed to be waived;

(vi) save for the A Shares of our Company that are listed on ChiNext of the Shenzhen Stock Exchange and GDRs of our Company that are listed on SIX Swiss Exchange, and save for the H Shares to be issued in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought; and

(vii) all necessary arrangements have been made to enable the H shares to be

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The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in *S r G r I r (F) O r I r 4 C E r* in Appendix IV to this document; and

(b) a copy of each of the material contracts referred to in *S r G r I r (B) F r r I r r B 1 S r M r C r* in Appendix IV to this document.

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Electronic copies of the following documents will be available for inspection at the website of the Stock Exchange at **. .** and our website at **. 798.** including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the material contracts referred to in *S r G r I r (B) F r r I r r B 1 S r M r C r* in Appendix IV to this document;

(c) the service contracts and the letters of appointment referred to in *S r G r I r (C) F r r r D r r 1 P r r D r r' S r C r A L r* in Appendix IV to this document;

(d) the industry report issued by Frost & Sullivan, a summary of which is set forth in *I r O r* in this document;

(e) the PRC legal opinions issued by King & Wood Mallesons, our PRC Legal Advisor on PRC law, in respect of certain general corporate matters and property interests in the PRC of our Group;

(f) the US legal opinions issued by Miller, Canfield, Paddock and Stone, P.L.C., our US legal advisor on US law;

(g) the Malaysian legal opinions issued by PHANG THAM TEOH & CO, our Malaysian legal advisor on Malaysian law;

(h) the Swedish legal opinions issued by Wigge & Partners Advokat KB, our Swedish legal advisor on Swedish law;

(i) the Swedish legal opinions issued by FRÖBERG & LUNDHOLM ADVOKATBYRA AB, our Swedish legal advisor as to environmental matters;

(j) the Accountants Report and the report on the unaudited [REDACTED] financial information of our Group prepared by Rongcheng (Hong Kong) CPA Limited, the texts of which are set out in *A ' R r* in Appendix I to this document and *U [REDACTED] F I r* in Appendix II to this document, respectively;

(k) the audited consolidated financial statements of our Company for each of the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025;

(l) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translation; and

(m) the written consents referred to in *S r G r I r (F) O r r 4 C r* in Appendix IV to this document.

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A full list of the grantees of outstanding Share Options granted under the Share Incentive Plans, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection at the offices of Linklaters at 11/F, Alexandra House, Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this document.