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Shenzhen Senior Technology Material Co., Ltd.
深圳市星 材質 股份有限公 司

(the "Company")

(a joint stock company incorporated in the People's Republic of China with limited liability)

# WARNING

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# Shenzhen Senior Technology Material Co., Ltd.

**圳市星　材質　　股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)

## [REDACTED]

| | | |
|---|---|---|
| Number of [REDACTED] under the [REDACTED] | : | [REDACTED] H Shares |
| Number of [REDACTED] | : | [REDACTED] H Shares (subject to reallocation) |
| Number of [REDACTED] | : | [REDACTED] H Shares (subject to reallocation) |
| [REDACTED] | : | HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund) |
| Nominal value | : | RMB1.00 per Share |
| [REDACTED] | : | [REDACTED] |

***S　S　, [REDACTED]***




***[REDACTED]***

[•]

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# IMPORTANT

[REDACTED]

# IMPORTANT

[REDACTED]

# EXPECTED TIMETABLE[(1)]

[REDACTED]

# EXPECTED TIMETABLE[(1)]

[REDACTED]

# EXPECTED TIMETABLE[(1)]

[REDACTED]

# CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

*T [REDACTED] a [REDACTED] a a [REDACTED] a a a [REDACTED] a a [REDACTED] [REDACTED] a [REDACTED]. T a a , a , a [REDACTED] a a a a . N a a a a [REDACTED] [REDACTED] a a H K , a a a a a a H K . T*

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EXPECTED TIMETABLE ..... iii
CONTENTS ..... vi
SUMMARY ..... 1
DEFINITIONS ..... 20
GLOSSARY OF TECHNICAL TERMS ..... 28
FORWARD-LOOKING STATEMENTS ..... 34
RISK FACTORS ..... 36
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED] ..... 60
WAIVERS ..... 64
DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED] ..... 73
CORPORATE INFORMATION ..... 80
INDUSTRY OVERVIEW ..... 82
REGULATORY OVERVIEW ..... 95
HISTORY AND CORPORATE STRUCTURE ..... 106
BUSINESS ..... 113
RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS ..... 186
CONNECTED TRANSACTIONS ..... 190
DIRECTORS AND SENIOR MANAGEMENT ..... 196
SUBSTANTIAL SHAREHOLDERS ..... 209

# CONTENTS

SHARE CAPITAL ..... 210
FINANCIAL INFORMATION ..... 212
FUTURE PLANS AND USE OF [REDACTED] ..... 248
[REDACTED] ..... 251
STRUCTURE OF THE [REDACTED] ..... 259
HOW TO APPLY FOR [REDACTED] ..... 266
APPENDIX I — ACCOUNTANTS' REPORT ..... I-1
APPENDIX IA — UNAUDITED INTERIM FINANCIAL INFORMATION ..... IA-1
APPENDIX II — UNAUDITED [REDACTED] FINANCIAL INFORMATION ..... II-1
APPENDIX III — PROPERTY VALUATION REPORT ..... III-1
APPENDIX IV — SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY ..... IV-1
APPENDIX V — STATUTORY AND GENERAL INFORMATION ..... V-1
APPENDIX VI — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY ..... VI-1

According to Frost & Sullivan, our lithium-ion battery separator shipment volume ranked second globally for the last six years consecutively, with our global market share increasing from 11.0% in 2020 to 11.6% in 2025. In 2025, our Group accounted for a market share of approximately 13.5%, and ranked second in the Chinese Mainland battery separator market, according to Frost & Sullivan. We are the first and one of the few enterprises in Chinese Mainland with capabilities in all three types of lithium-ion battery separator production technologies, namely dry process, wet process and coated process separators. In 2025, our Group accounted for a market share of approximately 21.5% in the global dry process battery separator market and 9.0% in the global wet process battery separator market, ranking first and fourth globally by shipment volume, respectively.

We have developed a clear plan for a comprehensive network encompassing production, R&D and customer engagement. Currently, we have established five manufacturing bases within the PRC. Our overseas manufacturing bases in Europe, Southeast Asia and the U.S. 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. Our expanding network supports a broad customer base, including more than 100 leading lithium-

Below is an overview of our achievements.

## Global Market Share

**11.6%**
Market share in 2025 in terms of total shipment volume

**Wet Process Ranked Fourth**
Wet process separators market share ranked fourth in 2025 by shipment volume

**Dry Process Ranked First**
Dry process separators market share ranked rst in 2025 by shipment volume

## Designed Production Capacity

**Over 2 billion $m^2$ as of 31 December 2025**
Designed overseas annual production capacity

**8 manufacturing bases**
Changzhou, Jiangsu, Hefei,
Nantong, Foshan
(the above in operation)
the U.S., Malaysia, Sweden
(the above under construction)

## Manufacturing

**Among the few in the industry**(1)
With self-designed equipment

## R&D

**First in Chinese Mainland**(1)
Capabilities in dry, wet and coated process separators manufacturing technologies

**4 global R&D centres**
Japan, Sweden, Shenzhen, Nantong

## COMPETITIVE STRENGTHS

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

- We are a competitive lithium-ion battery separator provider, underpinned by over 20 years of R&D and a proven track record of serving world-leading battery manufacturers
- 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 our 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

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.

In addition to our traditional lithium-ion batteries separators, we maintain a forward-looking product portfolio covering semi-solid-state electrolyte separators, solid-state electrolyte membranes

Our 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 R&D capabilities lay a strong foundation for our continuous business expansion in the mid- to high-end markets both domestically

## 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 10.9 billion $m^2$ in 2021 to 40.3 billion $m^2$ in 2025 at a CAGR of 38.7%. In 2025, Chinese Mainland led the global battery separator market in terms of shipment, accounting for around 85.9% of the market share. As global demands increase, in the

## Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as additi-2(se)norruaddie,96msseesfite29604.8(ano(as)-5

Revenue from our sales of dry process separators remained stable at RMB470.0 million in 2024 and RMB466.6 million in 2025, primarily due to a slight decrease in sale volume as we proactively controlled production volume in consideration of downstream demand trend, partially offset by a slight increase in average selling price in line with the broader industry trend according to Frost & Sullivan. According to Frost & Sullivan, the average selling prices for separators in China are expected to stabilize and slightly increase after 2026.

### Revenue by geographic region of our shipment destination

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

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | RMB'000 | % | RMB'000 | % | RMB'000 | % |
| Chinese Mainland | 2,512,646 | 84.3 | 3,105,179 | 88.6 | 3,508,624 | 86.1 |
| Others[1] | | | | | | |

our separator products during the Track Record Period were generally in line with those of comparable products in the industry, taking into account 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 2022 and 2024. According to Frost & Sullivan, from 2022 to 2024, shipments of battery separator from other regions outside China expanded at a CAGR of 10.0%, surpassing the 6.7% increase in production capacity, 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 Chinese Mainland. According to Frost & Sullivan, as domestic overcapacity intensifies, Chinese separator manufacturers have begun expanding overseas, which may exert incremental pricing pressure on overseas markets over time. However, the supplier qualification and certification process required by downstream battery manufacturers is typically longer in overseas markets as compared to domestic customers, and the resulting high switching costs create meaningful barriers to competition that support the price premium.

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.

### 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.

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Gross | | | | | |

## Summary of Consolidated Statements of Financial Position

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

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Total non-current assets | 10,526,935 | 15,603,454 | 18,709,401 |
| Total current assets | 7,418,527 | 7,542,081 | 6,083,709 |
| Total assets | 17,945,462 | 23,145,535 | 24,793,110 |
| Total non-current liabilities | 3,964,513 | 7,113,391 | 7,133,225 |
| Total current liabilities | 4,022,172 | 6,061,022 | 7,519,133 |
| Total liabilities | 7,986,685 | 13,174,413 | 14,652,358 |
| Net current assets/(liabilities) | 3,396,355 | 1,481,059 | (1,435,424) |
| Net assets | 9,958,777 | 9,971,122 | 10,140,752 |

We record net current assets of RMB1,481.1 million as at 31 December 2024 and net current liabilities of RMB1,435.4 million as at 31 December 2025, primarily due to (i) an increase in borrowings to support construction of manufacturing bases, and (ii) a decrease in cash and cash equivalents primarily due to capital expenditure in connection with the construction of our Foshan and Malaysia manufacturing bases and acquisition of production equipment, 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 assets remained relatively stable at RMB9,958.8 million as at 31 December 2023, RMB9,971.1 million as at 31 December 2024, primarily due to profit for the year of RMB370.7 million, partially offset by dividends declared of RMB295.4 million.

Our net assets remained relatively stable at RMB9,971.1 million as at 31 December 2024 and RMB10,140.8 million as at 31 December 2025, primarily due to (i) profit for the period of RMB143.1 million and (ii) other comprehensive income for the period of RMB330.6 million, partially offset by repurchase of shares of RMB300.0 million. See the Consolidated Statements of Changes in Equity to the Accountants' Report set out in Appendix I to this document for more details.

### Summary of Consolidated Statements of Cash Flows

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

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Net cash flows generated from operating activities | 1,134,074 | 368,444 | 752,512 |
| Net cash flow used in investing activities | (3,791,511) | (2,444,235) | (3,269,560) |
| Net cash flows generated from financing activities | 3,081,322 | 3,031,016 | 1,060,852 |
| Net increase/(decrease) in cash and cash equivalents | 423,885 | 955,225 | (1,456,196) |
| Cash and cash equivalents at beginning of year | 1,293,953 | 1,744,409 | 2,650,754 |
| Effect of foreign exchange rate changes, net | 26,571 | (48,880) | (6,887) |
| Cash and cash equivalents at end of year | 1,744,409 | 2,650,754 | 1,187,671 |

## KEY FINANCIAL RATIOS

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

| | As at/Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Gross profit margin[(1)] | 43.3% | 28.1% | 21.7% |
| Net profit margin[(2)] | 19.9% | 10.6% | 3.5% |
| Return on equity[(3)] | 6.4% | 3.7% | 1.4% |
| Current ratio[(4)] | 1.8 | 1.2 | 0.8 |
| Liability-to-asset ratio[(5)] | 44.5% | 56.9% | 59.1% |
| Gearing ratio[(6)] | 60.8% | 107.3% | 122.4% |
| Interest coverage ratio[(7)] | 8.4 | 4.1 | 1.6 |

Notes:

(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/perioccm-.1(hc[(multipl2))-2251.8(u)y.1(ds)]

- 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.
- 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.
- We may be subject to intellectual property infringement claims, which could be time-consuming or costly to defend and may result in the diversion of our financial and management resources.
- 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

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

(3) The unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of the Company per Share as at 31 December 2025 is calculated after making the adjustments referred to in "Appendix II — 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 31 December 2025, [REDACTED] [REDACTED] and excluding 30,849,340 repurchased shares as at 31 December 2025) were in issue assuming that the [REDACTED] had been completed on 31 December 2025 but excluding the impact of the subsequent event: the Group declared dividends in aggregate of approximately RMB13,173,000 (representing a final dividend of approximately RMB13,259,000, excluding approximately RMB86,000 distributed to holders of restricted shares which does not constitute a reduction in net assets). Including the impact of the subsequent event, the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2025 would be RMB[REDACTED] (HK$[REDACTED]) and RMB[REDACTED] (HK$[REDACTED]), based on an [REDACTED] of HK$[REDACTED] and HK$[REDACTED] per Share, respectively. For more details, please refer to the section headed "Appendix II — Unaudited [REDACTED] Financial Information" to this document.

## WORKING CAPITAL

We have historically met our working capital and other capital requirements principally from a

Unaudited Financial Information for the Three Months Ended 31 March 2026

Our revenue increased by approximately 21.6% from RMB881.4 million for the three months ended 31 March 2025 to RMB1,071.3 million for the three months ended 31 March 2026, primarily attributable to (i) an increase in average selling prices for all product categories and (ii) an increase in proportion of sales from coated separators, which have higher average selling prices.

- Our revenue from dry process separators decreased by approximately 49.5% from RMB162.1 million for the three months ended 31 March 2025 to RMB81.8 million for the three months ended 31 March 2026, primarily attributable to a decrease in sales volume resulting from supply-demand imbalances and our strategic shift to focus more on coated separators.
- Our revenue from wet process separators decreased by approximately 36.0% from RMB160.1 million for the three months ended 31 March 2025 to RMB102.5 million for the three months ended 31 March 2026, primarily attributable to a decrease in sales volume resulting from our strategic shift to focus more on coated separators.
- Our revenue from coated separators increased by approximately 58.6% from RMB559.1 million for the three months ended 31 March 2025 to RMB887.0 million for the three months ended 31 March 2026, primarily attributable to (i) an increase in sales volume driven by an increase in orders from existing customers following their product launches and our proactive strategic shift to focus on coated separator products, as well as (ii) an increase in the average selling price of our products reflecting the broader industry trends according to Frost & Sullivan.

Our cost of sales increased by approximately 19.0% from RMB673.6 million for the three months ended 31 March 2025 to RMB801.8 million for the three months ended 31 March 2026, primarily in line with our revenue growth.

Our gross profit increased by approximately 29.7% from RMB207.8 million for the three months ended 31 March 2025 to RMB269.6 million for the three months ended 31 March 2026. Our gross profit margin increased from 23.6% for the three months ended 31 March 3 td 3%for
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- The gross profit from our coated separators increased by approximately 81.1% from RMB128.3 million for the three months ended 31 March 2025 to RMB232.2 million for the three months ended 31 March 2026. The gross profit margin of our sales of coated separators increased from 22.9% for the three months ended 31 March 2025 to 26.2% for the three months ended 31 March 2026, primarily attributable to an increase in average selling price reflecting the broader industry trends according to Frost & Sullivan.

We recorded other gains, net of RMB11.6 million for the three months ended 31 March 2025 and other losses, net of RMB25.8 million for the t

Although currently we do not have a formal dividend policy, any future plan to pay dividends will be made at the discretion of our Board of Directors subject to approval of our Shareholders and the compliance with our Articles of Association and relevant regulatory requirement. 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:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Final dividends | 127,931 | 295,382 | 66,595 |

Subsequent to 31 December 2025, our Directors proposed a final dividend in respect of the year ended 31 December 2025, amounting to approximately RMB13,259 thousand in aggregate, which was subsequently settled in May 2026.

## [REDACTED] EXPENSES

[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$[REDACTED] (including [REDACTED]), accounted for [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming that an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the [REDACTED] stated in this document), among which, approximately HK$[REDACTED] is directly attributable to the issuance of Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK$[REDACTED] has been or will be charged to our consolidated statement of comprehensive income. The [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 advisers 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.

# DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions

# DEFINITIONS

| | |
|---|---|
| "Changzhou Senior" | Changzhou Senior New Energy Materials Co., Ltd. ( ), a limited liability company established under the laws of the PRC on 5 April 2017, and a wholly owned subsidiary of our Company |
| "Chinese Mainland" | the People's Republic of China excluding Hong Kong, Macau and Taiwan |
| "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. ( ), 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 ( ) |
| "CSRC" | the China Securities Regulatory Commission ( ) |
| "Director(s)" | the director(s) of our Company |
| "EU" | the European Union |
| "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. ( ), a company established in 2001 in the PRC, and one of our major customers |
| "Foshan Senior" | Senior Material (Foshan) New Materials Technology Co., Ltd. ( ), 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. ( □ ), a company established in 2006 in the PRC, and one of our major customers |
| "Governmental Authority" | any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organisation, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each cah'-.2(e)'bthom '83'(y)]TJ Tc'' 89345''e'8n'' |

| | |
|---|---|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| “Hong Kong Listing Rules” or “Listing Rules” | |

| | |
|---|---|
| “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. ( |

| | |
|---|---|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| "Prof. Chen" | Prof. Chen Xiufeng ( ), 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 Adviser" | King & Wood, our legal adviser on PRC laws |
| [REDACTED] | [REDACTED] |
| "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 and the 2026 Share Incentive Plan (as the case may be) |
| "RMB or Renminbi" | Renminbi, the lawful currency of China |
| "SAFE" | the State Administration for Foreign Exchange of the PRC ( ) |
| "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 |

| | |
|---|---|
| "U.S.", "US" or "United States" | the United States of America, its territories, its possessions and all areas subject to its jurisdictions |
| "U.S. and EU Tariffs Legal Adviser" | Ashurst Tokyo (Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo), our legal adviser as to U.S. and EU laws in respect of tariffs |
| "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 mn A C T E D 9 ( i ) . 7 ( m ) 3 5 0 . 2 ( p ) 3 4 7 . 7 ( J a p ) 8 4 . v |

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.

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|---|---|
| "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 |

“desalination efficiency” how effectively a desalination process converts saline water (such as

| | |
|---|---|
| “gravimetric energy density” | the amount of energy stored per unit mass of a substance |
| “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” | |

| | |
|---|---|
| “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 |
| “photovoltaic green energy” | |

# GLOSSARY OF TECHNICAL TERMS

| | |
|---|---|
| "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 |
| "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 |

| | |
|---|---|
| “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 |

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this

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 volatilemarket 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.

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 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.

We may be subject to intellectual property infringement claims, which could be time-consuming or costly to defend and may result in the diversion of our financial and management resources.

We cannot be certain that our operations or any aspects of our business do not or will not

authorities would agree with our analysis. As we f

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

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 RMB469.2 million, RMB401.0 million and RMB568.2 million, respectively, in 2023, 2024 and 2025, accounting for 15.7%, 11.4% and 13.9% 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 U.S. and Chinese Mainland, have presented new challenges. For example, on 13 September 2024, the Office of the United States 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 Chinese Mainland, pursuant to Section 301 of the Trade Act of 1974, from 7.5% to 25%, effective from 27 September 2024 and 1 January 2026, respectively. Moreover, starting from 1 February 2025, additional tariffs pursuant to the International Emergency Economic Powers Act (IEEPA) related to fentanyl on imports from Chinese Mainland imposed by the U.S. government were imposed at between 10% and 20%. On March 26, 2025, the U.S. government announced its intention 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 imposed IEEPA reciprocal tariffs of up to 125% on all imports from Chinese Mainland. In response, Chinese Mainland implemented counter-measures by imposing a 125% tariff on all imports from the U.S. In November 2025, reciprocal tariffs were reduced to 10%. Subsequently, on 20 February 2026, the U.S. Supreme Court invalidated tariffs previously imposed on goods imported from Chinese Mainland pursuant to the IEEPA, and the Trump Administration has sought to replace these with a 10% tariff under Section 122 of the Trade Act, effective from 24 February 2026, which will generally apply in addition to existing Section 301 tariffs. The U.S. has also further extended the expiration of certain Section 301 tariff exclusions until 10 November 2026. During the Track Record Period, we primarily sold coated separator products to the U.S. The amounts of our separator products sales to the U.S. is RMB1.6 million, RMB9.9 million and RMB64.1 million in 2023, 2024 and 2025, respectively, accounting for 0.05%, 0.3% and 1.6% of our total revenue during the same year, respectively. There is significant uncertainty on how the relevant tariffs or other trade restrictions measures may evolve, and any rising political tensions, as well as increases in tariffs or changes to trade policies between the U.S. and Chinese Mainland, may have a significant impact on our customers' business which may in turn adversely affect demands for our products and business.

Some other regions have implemented or are considering tariffs or trade defense measures on EV-related products manufactured in the Chinese Mainland. The EU imposed countervailing duties on Chinese-origin EV to as much as 35.3% in October 2024. In April 2025, the EU and Chinese Mainland have agreed to look into setting minimum prices of Chinese-made EV instead of tariffs imposed by the EU. Our U.S. and EU Tariffs Legal Advisor has advised that our direct exports to the U.S. were subject to a tariff rate of 29.2% in 2023 and 2024. In 2025, od204cdur

also considering various measures to protect its domestic EV industry. In 2023, 2024 and 2025, our sales to the EU amounted to RMB136.6 million, RMB99.3 million and RMB186.7 million, respectively, representing 4.6%, 2.8% and 4.6% of our total revenue during the same years. As advised by our U.S. and EU Tariffs Legal Adviser, our Directors are of the view that given that (1)

operation network, and there is no guarantee that we will continue to be able to operate in existing geographic markets or enter into new markets given the investment restrictions, economic sanctions and trade restrictions that may be promulgated from time to time. In addition, our suppliers, customers and other business counterparties, either in Chinese Mainland or overseas, may be subject to sanctions or other restrictions themselves. If we are unable to effectively and timely identify high-risk counterparties and adopt compliance measures accordingly, we may be subject to the risks of investigations, penalties or reputational damage.

Our efforts in developing and investing in research and development may not be effective.

Our success relies on our ability to innovate new products and enhance production efficiency. In 2023, 2024 and 2025, our research and development expenses amounted to RMB242.5 million, RMB248.0 million and RMB278.4 million, respectively. In order to maintain and expand our competitive advantage, we may devote more resources in the future. In addition to our in-house R&D capabilities, we also engage in joint R&D collaboration. See "Business — Research and Development." However, as R&D activities are inherently uncertain, we cannot assure you that our

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 2023, 2024 and 2025, the revenue contributed by our top five customers in each year accounted for 63.8%, 50.9% and 60.8% 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 settle its payments on time, we may not be able to secure new business from other customers to compensate for such reduction in sales demand or loss of business. If our relationships with these major customers deteriorate, or if there is a perceived decline in the quality of our products, our sales to these major customers may decrease accordingly. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business is susceptible to any policy changes affecting the new energy vehicle and ESS industry, which may materially and adversely affect our business.

New policy for lithium-ion separators or changes in the regulatory requirements concerning the end markets for lithium-ion separators may affect our business, financial condition, results of operations and prospects. For example, on 20 October 2020, the State Council issued the Development Plan for New Energy Automobile Industry (2021–2035) (Guobanfa [2020] No. 39) (2021–2035 [2020]39), proposing to achieve the large-scale application of highly autonomous vehicles through a 15-year programme. However, these policies are subject to certain limits, and we cannot assure you that any new legislations or regulatory requirements, if any, would be favourable to our business or financial condition. For instance, according to the Notice on Improving the Financial Subsidy Policies for the Promotion and Application of New Energy Vehicles (Cai Jian [2020] No. 86) ([2020]86

installation capacity of 30 GWh of ESS by 2025, and achieving the comprehensive market

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 2023, 2024 and 2025, our cost of raw materials amounted to RMB693.7 million, RMB1,271.1 million and RMB1, 410.3 million, respectively, accounting for 41.0%, 50.4% and 44.2% of our costs of sales in the same year, 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 price of our products, in which case our profit margin will decrease, and our financial condition and results of operations may be materially and adversely affected. We may lose our competitive advantage if the prices of our products rise significantly. This in turn could result in loss of sales and customers.

Moreover, if the supply of raw materials, energy, transportation and other necessary supplies or services is affected by natural disasters, adverse weather conditions, suppliers' equipment failures, disruptions in transport or other inclement factors, we may not be able to identify and secure alternative sources of supply at acceptable prices or at all. We cannot assure you that unexpected

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 2023, 2024 and 2025, purchases from our top five suppliers in each year were RMB499.7

- general market conditions for capital-raising activities by companies in the lithium-ion battery separator market or other relevantmarkets in Chinese Mainland, which in turn are dependent on the prospects of such industries; and
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We may be exposed to liquidity risk due to a long cash conversion cycle.

We recorded relatively long trade and note 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 175.2 days, 223.1 days and 234.9 days in 2023, 2024 and 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 RMB101.8 million, RMB84.5 million and RMB99.7 million for the years ended 31 December 2023, 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 RMB1,773.2 million, RMB2,376.1 million and RMB2,480.1 million as at 31 December 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our average trade and notes receivables turnover days amounted to 204.4 days, 223.6 days and 224.1 days, respectively. 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 a

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:

. ..

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

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 we subscribe, may not be adequate to fully compensate all types of loss, damage and liability we may

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

exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalise our capital expenditure plans, and even our business, results of operations and financial condition, may be affected.

We could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

For the companies established in Chinese Mainland, the EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, our Company and several of our subsidiaries in Chinese Mainland have been qualified as high-tech enterprises or engaged in policy-encouraged businesses, accordingly, they were entitled to a preferential income tax rate of 15% during the Track Record Period. For details, see "Financial Information — Description of Selected Consolidated Statements of Profit or Loss — Income Tax Expense". To the extent there are any changes in the laws and regulations governing preferential tax 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 Chinese Mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in Chinese Mainland 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 Chinese Mainland 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

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 Chinese Mainland. The majority of our Directors, Supervisors and senior management reside within Chinese Mainland. The assets of these Directors, Supervisors and senior management also may be located within Chinese Mainland. 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 Chinese Mainland.

Any failure to comply with relevant regulations regarding the registration requirements for employee

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 Chinese Mainland, 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

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 Chinese Mainland. 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 Chinese Mainland, 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] decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Our Single Largest Shareholders have substantial influence over our Group and their interests may not be aligned with the interests of our other Shareholders.

Our Single Largest Shareholders have substantial influence over our business, including matters related to our management, policies and decisions regarding acquisitions, mergers, expansion plans, consolidations and sales of all o

Certain facts, forecast and other statistics in this document obtained from official government 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 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 and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that these information is false or misleading or that any fact has been omitted that would render these information false ormisleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED] or any of their ivehat284.4(-5.1eyn)-8357.2(2e).reve stedn-5.1th

# INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

# INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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# INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

# INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

## WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. Given that (i) our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong, namely in the mainland China; (ii) our executive Directors and members of the senior management team principally reside in the mainland China; and (iii) the management and operations of the Company have been mainly under the supervision and guidance of our executive Directors and senior management team, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operations located in the mainland China, the Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised repre

authorised representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser'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 Adviser, 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 Adviser.

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.

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 Mr. Chow Tsz Ho ("Mr. Chow"), who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom 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 of the Listing Rules. For details of their biographies, please see "Directors and Senior Management — Joint Company Secretaries."

Given Mr. Chow's professional qualification and experience, he 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. Mr. Chow 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 Mr. Chow and will maintain regular contact with Mr. Chow. 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 Adviser and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Minority Investments after 31 December 2025

Since 31 December 2025 and up to the date of this document, the Group has conducted the following acquisitions (the "Minority Investments"), the details of which are set out below.

| No. | Name of the target company | Minority interest | Principal business activities of the target company |
|---|---|---|---|
| 1. | Bangci Electronic Technology (Yancheng) Co., Ltd. ( ) ("Bangci Electronic")[1]. . . . . | Acquired approximately 13.50% equity interest in Bangci Electronic from its certain then shareholders (the "Bangci Sellers"), at a consideration of approximately RMB91 million (the "Bangci Electronic Investment") | Research, development, manufacture and sale of multilayer piezoelectric actuators and related piezoelectric ceramic products |
| 2. | Zhongxin Carbon (Nantong) Semiconductor Technology Co., Ltd. ( | | |

# WAIVERS

The consideration for the Minority Investments have been determined upon arm's length negotiations between the parties, having considered various factors including market dynamics and mutually agreed valuation, capital need of the relevant target company's operations, and, in the case of Zhongxin Carbon, a target company incorporated on 25 March 2026 without historical financial data, the anticipated capital requirements for its establishment and initial operations and the prospects of its business. The investment amounts have been satisfied by our internal resources.

Reasons and Benefits

It is believed that, as the principal business activities of Bangci Electronic and Zhongxin Carbon are closely relevant to the Group's principal business, the Minority Investments will complement the Group's business. In particular, the Bangci Electronic Investment extends the Group's product scope from polymer materials into advanced piezoelectric ceramic materials, while the Zhongxin Carbon Investment enables the Group to gain exposure to the high-growth domestic semiconductor components sector and supports the Group's strategic positioning in the import substitution of critical semiconductor materials. In respect of the Zhongxin Carbon Investment, it enables the Group to gain exposure to the high-growth domestic semiconductor components sector and supports the Group's strategic positioning in the import substitution of critical semiconductor materials, directly in line with the Group's stated "new energy + semiconductors" growth strategy. The Directors considered that the CVD silicon carbide semiconductor components sector presents a compelling strategic opportunity, underpinned by strong growth prospects and significant demand for import substitution. The Directors further considered that the sector is characterised by exceptionally high barriers to entry, as the core manufacturing competencies — in particular, CVD furnace design and proprietary gas recipe formulation — constitute deeply accumulated know-how that cannot be readily acquired through equipment procurement or conventional recruitment, and that independent development of such capabilities would require substantial capital expenditure and a prolonged years with no assurance of commercially viable yields. In this context, the Directors noted that Zhongxin Carbon's technical team possesses extensive industry experience and has independently designed and manufactured a number of CVD furnaces, achieving product yields of substantially exceeding the domestic industry average and single-coating production through resolution of the industry-wide nozzle clogging challenge, resulting in a material reduction in production time and a significant increase in per-furnace output. The Directors also considered that Zhongxin Carbon management team possesses established relationships with leading domestic wafer fabrication facilities and equipment manufacturers, and that its products have already passed verification at a major domestic foundry, thereby significantly de-risking the commercialisation pathway. Having regard to the foregoing, the Directors are of the view that the Zhongxin Carbon Investment provides the Group with access to a rare combination of proven technical capabilities, established industry relationships and near-term revenue visibility that would otherwise be extremely difficult and time-consuming to replicate independently. Accordingly, our Directors believe that the Minority Investments are fair and reasonable and in the interests of the Shareholders as a whole.

Conditions for granting the waiver and its scope in respect of the Minority Investments

We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Minority Investments on the following grounds:

Ordinary and usual course of business

Our Company confirms that it makes strategic equity investments in sectors relating to its business as part of its ordinary and usual course of business. Our Company had historically conducted a number of acquisitions and minority investments during the Track Record Period.

The applicable percentage ratios of the Minority Investments (on an aggregate basis) are less than 5% by reference to the most recent audited financial year of our Company's Track Record Period

The applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Minority Investments (on an aggregate basis) are all less than 5% by reference to the most recent audited financial year of the Track Record Period.

Accordingly, we do not expect the Minority Investments to result in any significant changes to our financial position and financial performance since 31 December 2025, and all information that is reasonably necessary for potential [REDACTED] to make an informed assessment of our activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [REDACTED].

It would be unduly burdensome to obtain or prepare the historical financial information of the target companies for inclusion in this document

In respect of Bangci Electronic Investment, as our Company only proposed to acquire a minority interest in Bangci Electronic, it would be unduly burdensome and impracticable and would require considerable time and resources for our Company and its reporting accountants to fully familiarise ourselves with the management accounting policies of Bangci Electronic and compile the necessary financial information in accordance with the Company's accounting policies for disclosure in this document. Furthermore, given that our Company does not have control over Bangci Electronic and Bangci Electronic is not a consolidated subsidiary of our Company, our Company would face difficulties in compelling Bangci Electronic to disclose its historical financial information in this document. Our Company therefore believes that it would be impractical and unduly

# WAIVERS

[REDACTED]

# WAIVERS

[REDACTED]

# WAIVERS

[REDACTED]

# DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

## DIRECTORS

| Name | Address | Nationality |
|---|---|---|
| **Executive Directors** | | |
| Prof. Chen Xiufeng ( ) | Room 13B02, Building 2<br>Longqin Peninsula Garden<br>No. 63, Gaoxin South Ring Road<br>Nanshan District<br>Shenzhen, Guangdong<br>PRC | Chinese |
| Dr. ZHANG XIAOMIN | Apartment 1203<br>Xingyuan Advanced<br>Materials Industrial Park<br>Shenzhen, Guangdong<br>PRC | United States |
| Mr. Xu Liqiang ( ) | Room 2901, No.6<br>Huarun Xingfuli<br>Binhu District<br>Wuxi, Jiangsu<br>PRC | Chinese |
| **Non-executive Director** | | |
| Mr. Zhu Bide ( ) | Room 11–706, Phase 1<br>Haiyue Garden<br>Nanshan District<br>Shenzhen, Guangdong<br>PRC | Chinese |
| **Independent non-executive Directors** | | |
| Mr. Tang Changjiang ( ) | Room 1001, Unit B<br>Building 10, Lingyu Huafu<br>Linghangcheng<br>Hangcheng Avenue<br>Baoan District<br>Shenzhen, Guangdong<br>PRC | Chinese |
| Dr. Lin Zhiwei ( ) | 2/F, Shum Yip Center Building<br>5045 Shennan East Road<br>Luohu District<br>Shenzhen, Guangdong<br>PRC | Chinese |

# DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

| Name | Address | Nationality |
|---|---|---|
| Ms. Sun Zhenzhen ( ) | No. 2–912, Xinyi Lingyu<br>Xin'an Street<br>Bao'an District<br>Shenzhen, Guangdong<br>PRC | Chinese |
| Mr. Leung Shu Sun Sunny ( ) | Room 9H, Block 23<br>South Horizons<br>Ap Lei Chau<br>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]

| | |
|---|---|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

# DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

| | |
|---|---|
| Legal Advisers to our Company | As to Hong Kong law and U.S. laws<br>Linklaters<br>11/F, Alexandra House<br>Chater Road<br>Central<br>Hong Kong<br><br>As to PRC law<br>King & Wood<br>28/F, China Resources Tower<br>2666 Keyuan South Road<br>Nanshan District<br>Shenzhen, Guangdong<br>PRC<br><br>As to U.S. law<br>Miller, Canfield, Paddock and Stone, P.L.C.<br>840 W. Long Lake Road, Suite 150<br>Troy, Michigan<br>U.S.<br><br>As to U.S. and EU tariffs:<br>Ashurst Tokyo<br>(Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo)<br>30/F, Shiroyama Trust Tower<br>4–3-1 Toranomon<br>Minato-ku, Tokyo<br>Japan<br><br>As to Malaysian law<br>PHANG THAM TEOH & CO<br>S–15–02, Wisma YNH, Kiara<br>163, No. 8, Jalan Kiara, 50480<br>Mont Kiara, Kuala Lumpur<br>Malaysia<br><br>As to Swedish law<br>Wigge & Partners Law KB<br>Birger Jarlsgatan 25<br>111 45 Stockholm<br>Sweden<br><br>As to Swedish law in respect of environmental matters<br>FRÖBERG & LUNDHOLM ADVOKATBYRA AB |

| | |
|---|---|
| Legal Advisers to the Sole Sponsor and the [REDACTED] | As to Hong Kong law and U.S. laws |

# CORPORATE INFORMATION

| | |
|---|---|
| Registered office and headquarter | Tianyuan Road<br>Gongming Town<br>Guangming District<br>Shenzhen, Guangdong<br>PRC |
| Principal place of business in Hong Kong | 31/F, Tower Two<br>Times Square<br>1 Matheson Street<br>Causeway Bay<br>Hong Kong |
| Company's Website | www.senior798.com<br>(The information contained in this website does not form part of this document) |
| Joint company secretaries | Mr. Li Sheng<br>C1–5E, Cuihai Garden<br>Nongyuan Road<br>Futian District<br>Shenzhen, Guangdong<br>PRC<br><br>Mr. Chow Tsz Ho<br>(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)<br>31/F, Tower Two<br>Times Square<br>1 Matheson Street<br>Causeway Bay<br>Hong Kong |
| Authorised representatives | Dr. ZHANG XIAOMIN<br>Apartment 1203<br>Xingyuan Advanced Materials Industrial Park<br>Shenzhen, Guangdong<br>PRC<br><br>Mr. Chow Tsz Ho<br>(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)<br>31/F, Tower Two<br>Times Square<br>1 Matheson Street<br>Causeway Bay<br>Hong Kong |
| Audit Committee | Dr. Lin Zhiwei (Chairperson)<br>Mr. Tang Changjiang<br>Mr. Zhu Bide |

| | |
|---|---|
| Remuneration and Appraisal Committee | Mr. Tang Changjiang (Chairperson)<br>Dr. Lin Zhiwei<br>Mr. Xu Liqiang |
| Nomination Committee | Ms. Sun Zhenzhen(Chairperson)<br>Mr. Tang Changjiang<br>Dr. ZHANG XIAOMIN |
| Strategy and Development Management Committee | Prof. Chen Xiufeng (Chairpersiufeng |

# INDUSTRY OVERVIEW

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 RMB660,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussions with industry experts (including [REDACTED]) and interviews with key market participants. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan has assumed that the global economy is expected to maintain steady growth during the forecast period from 2016 to 2020. Frost & Sullivan has adopted the following assumptions in preparing the Frost & Sullivan Report:

- the global economy is likely to maintain steady growth during the forecast period from 2016 to 2020;
- the related key industry drivers are likely to support the steady development of the global battery separator industry during the forecast period from 2016 to 2020;
- no extreme force majeure or drastic change in the industry regulations will occur; and
- sufficient supply of key raw materials and services will be available during the forecast period from 2016 to 2020.

## OVERVIEW OF THE GLOBAL ENERGY STORAGE INDUSTRY

### Introduction to Energy Storage

Energy storage refers to the capture of energy produced at one time for use at a later time. Energy storage systems can be classified into mechanical, electrochemical, chemical, thermal and electromagnetic energy storage systems. Electrochemical energy storage systems, which store energy in electrochemical potential, are the most widely used energy storage systems. Electrochemical energy storage systems can be further classified into primary batteries and secondary batteries. Primary batteries are batteries that are designed to be used once and discarded, while secondary batteries are batteries that can be recharged and used multiple times. Secondary batteries are widely used in consumer electronics, electric vehicles and energy storage solutions. The rapid expansion of lithium-ion battery is unlocking vast new

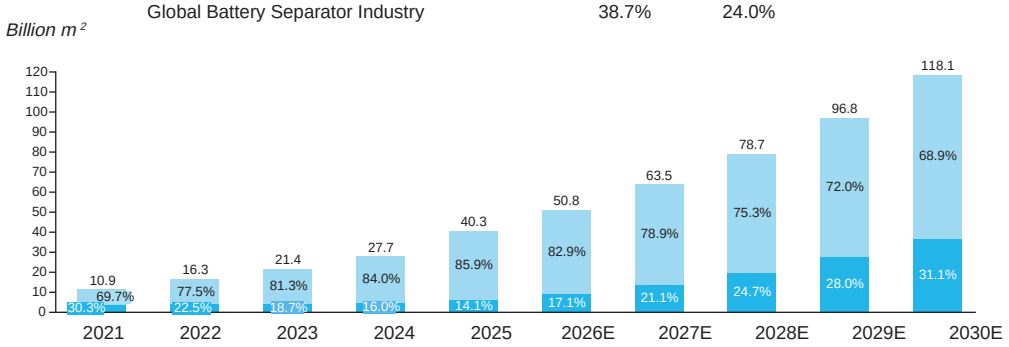
laying a strong foundation for sustained demand growth across the battery supply chain including

Market Size of Global and China Energy Storage Battery Industry

Promoted by supportive policies and the accelerated deployment of clean energy, the global

Global Battery Separator Industry by Shipment Volume, 2021–2030E

| | CAGR 2021–2025 | CAGR 2025–2030E |
|---|---|---|
| China | 46.1% | 18.7% |
| Others outside China | 14.6% | 45.1% |
| Global Battery Separator Industry | 38.7% | 24.0% |

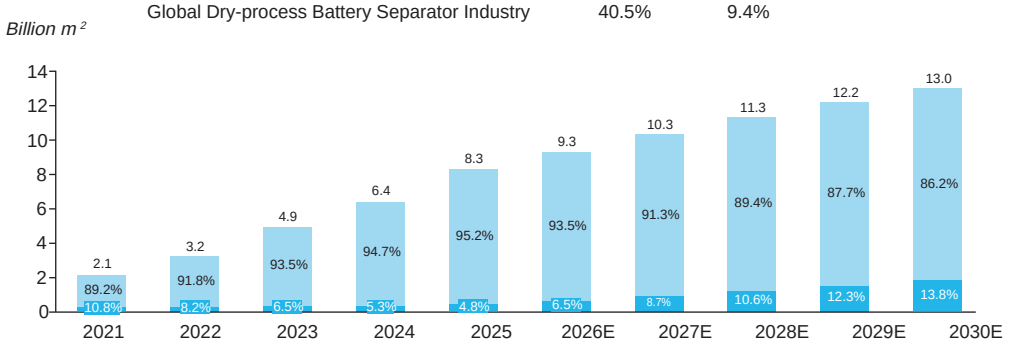



Source: Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

From 2021 to 2025, the global market size of dry process battery separators by shipment volume increased from approximately 2.1 billion $m^2$ to about 8.3 billion $m^2$, representing a strong CAGR of 40.5%. In 2025, China accounted for 95.2% of the global shipment volume, maintaining a dominant position in the market. Going forward, global shipments are projected to grow from approximately 8.3 billion $m^2$ in 2025 to 13.0 billion $m^2$ in 2030, with a CAGR of 9.4%. As Chinese companies accelerate overseas expansion and manufacturers in other countries improve production capacity and customer base, the share of dry process separator shipments outside China is expected to rise from 4.8% in 2025 to 13.8% in 2030, reflecting a CAGR of 35.1%.

Global Dry Process Battery Separator Industry by Shipment Volume, 2021–2030E

| | CAGR 2021–2025 | CAGR 2025–2030E |
|---|---|---|
| China | 42.8% | 7.2% |
| Others outside China | 14.8% | 35.1% |
| Global Dry-process Battery Separator Industry | 40.5% | 9.4% |




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

The global wet process battery separator market by shipment volume grew from approximately 8.8 billion $m^2$ in 2021 to about 32.0 billion $m^2$ in 2025, at a CAGR of 38.2%. In 2025, China dominated the market with an 83.4% share. Moving forward, the market is projected to expand from 32.0 billion $m^2$ in 2025 to 105.1 billion $m^2$ in 2030, at a CAGR of 26.9%. Notably, the market share outside China is expected to rise from 16.6% in 2025 to 33.2% in 2030 with a CAGR of 45.8%, 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

However, in regions outside China, the industry experienced strong shipment growth while

## Diverse Energy Storage Scenarios Fuel Demands

The energy storage segment including grid-side systems, telecom base stations, home energy storage, and portable power is becoming a critical growth driver for separator demand. Each application scenario has unique technical specifications, such as long-cycle performance for grid storage or high energy density and thermal resistance for residential 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 ESS market size by added installed capacity is expected to exceed 135 GWh in Europe and 200 GWh in the U.S. by 2030, representing CAGRs of 35.8% and 31.9% from 2025 to 2030, respectively. This

High-calibre talents

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 professional management team will help the battery separator manufacturers to better operate their business with effective operational and strategic planning. Since the battery separator industry is a knowledge-intensive and technology-leading industry, the high-calibre talents are mainly concentrated in the leading manufacturers of this industry. As for new entrants in the battery separator industry, it is relatively difficult to gather talents in different fields with high qualification in a short time.

Capital investment

Substantial capital investment plays a critical role in different stages of design and production of battery separators. In the early stages, battery separator manufacturers typically make significant capital investments in building research and development teams, purchasing raw materials, developing product formular and construction of manufacturing base, etc. In the commercialization stages, sufficient capital support is significant in purchasing manufacturing equipment. In the scaling production stages, capital investment is also essential in expanding production lines, building new factories, etc. New entrants who lack sufficient capital may be less competitive in the battery separator industry, which forms capital barrier.

Customer recognition

Leading battery separator manufacturers ensure consistent, reliable production and flexibly localise facilities globally to meet market demand. Beyond production capacity, customers require lengthy evaluations of product quality and manufacturing stability, resulting in extended

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.

Global patent layout

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.

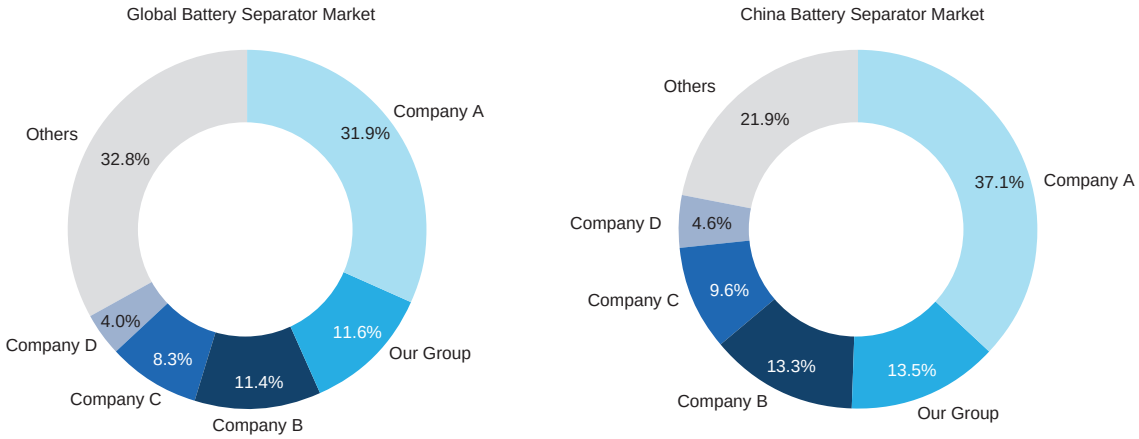
## COMPETITIVE LANDSCAPE OF GLOBAL AND CHINA BATTERY SEPARATOR INDUSTRY

In 2025, the total shipment volume of global battery separator industry reached approximately 40.3 billion $m^2$. The top 5 companies accounted for approximately 67.2% of the total shipment volume of global battery separator market. In 2025, Our Group ranked second in the global battery separator market and accounted for 11.6% of the market share.

In China, the total shipment volume of battery separator reached approximately 34.6 billion $m^2$ in 2025. The top 5 companies accounted for approximately 78.1% of the total shipment volume of China battery separator market. In 2025, Our Group accounted for a market share of approximately 13.5%, 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, 2025

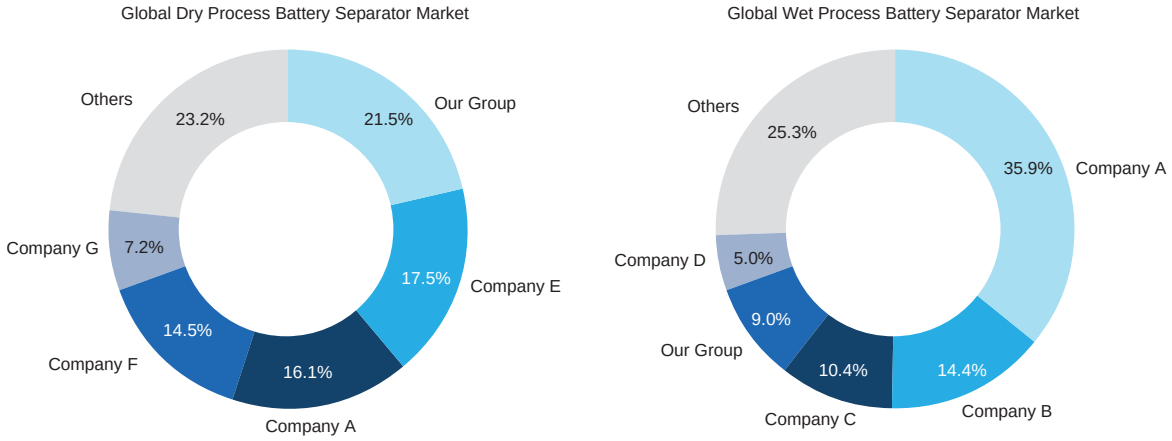



Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

In 2025, the total shipment volume of global dry process battery separator reached approximately 8.3 billion $m^2$. The top 5 companies accounted for approximately 76.8% of the total shipment volume of global dry process battery separator. In 2025, Our Group accounted for a market share of approximately 21.5%, and ranked first in the global dry process battery separator market.

In 2025, the total shipment volume of global wet process battery separator reached approximately 32.0 billion $m^2$

Top Five Companies in Global Dry Process and Wet Process Battery Separator Market by Shipment Volume, 2025

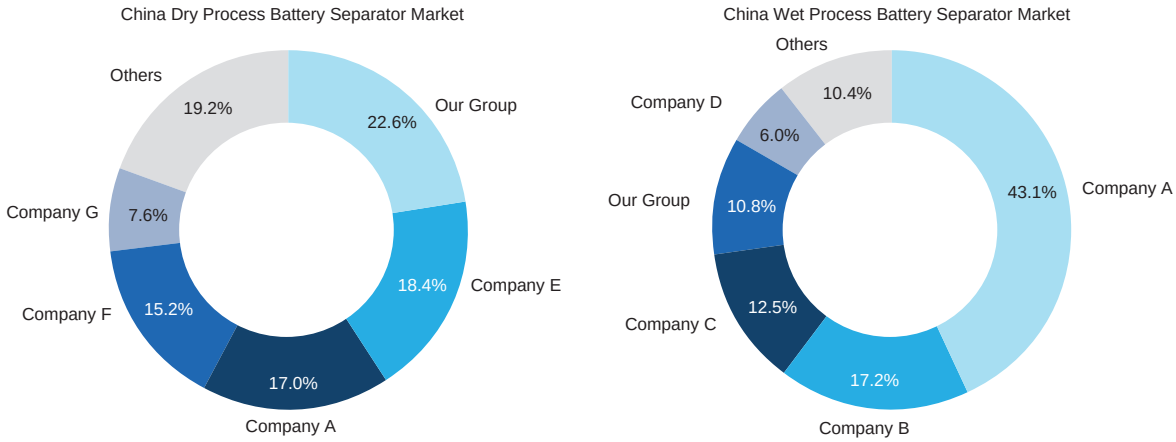



Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

In 2025, the total shipment volume of China dry process battery separator reached approximately 7.9 billion $m^2$. The top 5 companies accounted for approximately 80.8% of the total shipment volume of China dry process battery separator. In 2025, Our Group accounted for a market share of approximately 22.6%, and ranked first in China's dry process battery separator market.

In 2025, the total shipment volume of China wet process battery separator reached approximately 26.7 billion $m^2$. The top 5 companies accounted for approximately 89.6% of the total shipment volume of China wet process battery separator. In 2025, Our Group accounted for a market share of approximately 10.8%, and ranked fourth in the China wet process battery separator market.

Top Five Companies in China Dry Process and Wet Process Battery Separator Market by Shipment Volume, 2025




Source: Annual Reports of Listed Companies, Interviews with industry experts by Frost & Sullivan, 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 the subsidiary of a listed 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.

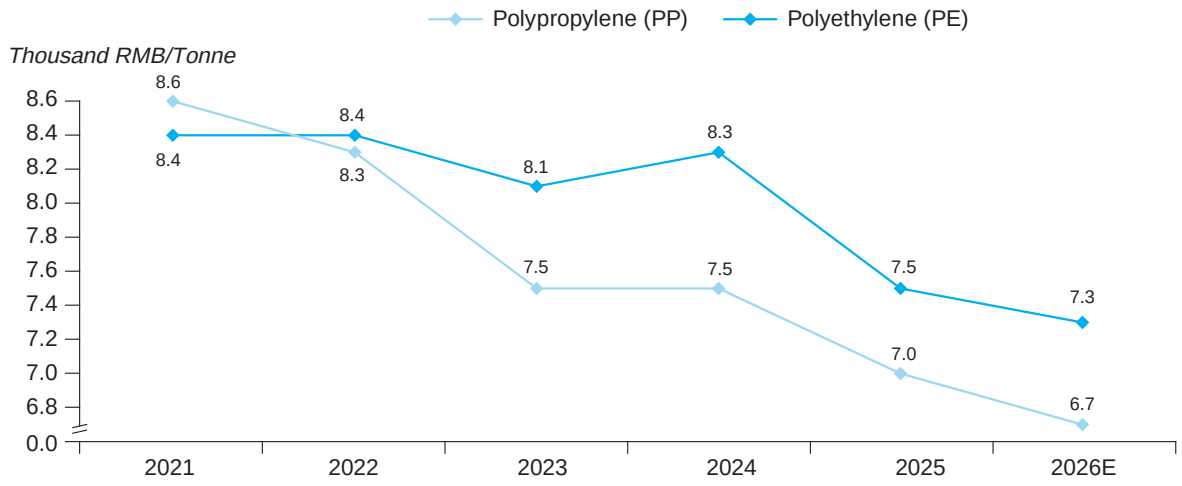
4. Established in 2017 and headquartered in Jiangsu, China, Company D is a private company which focus on the research and development, production, sales and technical services of the battery separator and polymer special membrane materials.
5. Established in 2011 and headquartered in Henan, China, Company E is a private company which focuses on the research and development, development, production, and sales of the battery separator.
6. Established in 2012 and headquartered in Shenzhen, China, Company F is a private company which focus on the research and development, production, sales and technical services of the wet-process battery separator.
7. Established in 2015 and headquartered in Shenzhen, China, Company G 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 2025, the price of PP and PE has reached RMB7.0 thousand and 7.5 thousand per tonne, respectively. In 2026, PE prices are expected to slightly 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 capacity, 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.

Aelrage Prices of Polypropylene (PP) and Polyethylene (PE) (China), 2020–2026E




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

# REGULATORY OVERVIEW

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 (
), which was amended by the SCNPC on 29 December 2018 and came into effect on the

records. Enterprises and institutions that emitindustrial waste gas or toxic and hazardous air pollutants listed in the above-mentioned caalogue, as well as other units that implement administration of pollution discharge permits in accordance vF*n tce

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.

REGULATIONS ON EXPORTATION OF GOODS

Pursuant to the Foreign Trade Law of the PRC ( ) 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 ( ) 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 ( ) 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.

REGULATIONS ON LEASING

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 remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On 1 December 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing ( ), which became effective on 1 February 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing 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) ( 2020 ), 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

Domain Names

The Measures on Administration of Internet Domain Names ( ) was promulgated by the MIIT in 2017, which adopts "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicise the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labour Law ( ), the PRC Labour Contract Law ( ) (the "Labour Contract Law") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labour Contract Law, which became effective on 1 January 2008, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labour contracts. Pursuant to the Labour Contract Law, labour contracts must be executed in writing if labour relationships are to be 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 ( ) 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.

Social Insurance

The PRC Social Insurance Law ( ) (the "Social Insurance Law") 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 ( ) 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 ( ) (the "Interpretation"), promulgated by the Supreme People's Court of the PRC on 31 July 2025 and took effect on 1 September 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.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds ( ) 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.

REGULATIONS ON TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC ( ), 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 ( ), 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.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (

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 ( ) 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.

Dividends Distribution

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 ( ) 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.

Pursuant to the Individual Income Tax Law of the PRC ( ), which was most recently amended on 31 August 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC ( ), which was most recently amended on 18 December 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Enterprise Income Tax Law of PRC (the "EIT Law") and the Regulation on the Implementation of the Enterprise Income Tax

## REGULATIONS ON FOREIGN INVESTMENT

The Company Law of the PRC ( ), promulgated by the SCNPC of the PRC (the "SCNPC") 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 ( ), the Regulation for Implementing the Foreign Investment Law of the PRC (

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises ( ) (the "SAFE Circular 19") 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 ( ) (the "SAFE Circular 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 ( ), 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

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.

Overseas [REDACTED]

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 "Overseas Listing Regulations"). 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, administrative regulations and relevant state rules; (ii) the intended securities [REDACTED] and [REDACTED] may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities [REDACTED] and [REDACTED], or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities [REDACTED] and [REDACTED] is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has [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 ( ) (the "Provision on Confidentiality"). 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.

# HISTORY AND CORPORATE STRUCTURE

## OVERVIEW

Leveraging with his educational background in power engineering, our Company, then known as Shenzhen Fu Yi Da Electronics Technology Co. Ltd. ( ), was founded by Prof. Chen in September 2003, dedicated to becoming a domestic pioneer in R&D and production of lithium-ion battery separators. At the inception of the Company, it engaged in the import and export trade of various electronic products and electronic materials through well-established business relationships with major Japanese corporations, acted as a distributor for lithium-ion battery separator products in the domestic market, and commenced early-stage research and development work related to separators. Our Company was converted into a joint stock company in 2008 and changed its name to Shenzhen Senior Technology Material Co., Ltd. ( ). We became listed on ChiNext of the Shenzhen Stock Exchange in December 2016 under the stock code 300568 and on SIX Swiss Exchange in December 2023 under the stock symbol SENIOR. With over 20 years of experience in the R&D and manufacturing of battery separator materials, our Company has become a competitive supplier and technology innovator in the global lithium-ion battery separator market. According to Frost & Sullivan, our lithium-ion battery separator shipment volume ranked second globally for the last six years consecutively, with our global market share increasing from 11.0% in 2020 to 11.6% in 2025.

## KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table sets forth our various key corporate and business development milestones.

| Year | Event |
|---|---|
| 2003 | . Our Company was incorporated and we commenced the sales and R&D of lithium-ion battery separators. |
| 2008 | . Our first dry process production line that specialises in the uniaxial stretching process was established and commenced operation in Shenzhen, China. |
| 2010 | . Our southern China manufacturing base in Shenzhen, China was built, where our new dry process separators production line was established and commenced operation. |
| 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. |

| Year | Event |
|---|---|
| 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. |

## PRINCIPAL SUBSIDIARIES AND OPERATING ENTITIES

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 "Principal Subsidiaries"). 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.

| Name of subsidiary | Registered Capital | Equity interest attributable to our Group | Place of incorporation/ establishment | Date of incorporation/ establishment | Principal business activities |
|---|---|---|---|---|---|
| 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 | 20 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. ( ) ("Hefei Construction") and Hefei Guoxuan High-tech Power Energy Co., Ltd. ( ) ("Hefei Guoxuan"), 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.

## MAJOR CHANGES OF OUR COMPANY

### Incorporation of our Company and Conversion into a Joint Stock Company

Our Company, then known as Shenzhen Fu Yi Da Electronics Technology Co. Ltd. ( ), was incorporated in September 2003 and was converted into a joint stock company and changed its name to Shenzhen Senior Technology Material Co., Ltd. ( ) in September 2008. Upon completion of the conversion, our Company had a total share capital of RMB75,000,000 divided into 75,000,000 Shares. The shareholding structure of our Company immediately upon completion of the conversion was as follows:

| Name of Shareholders | Number of Shares Held | Percentage of Shareholding |
|---|---|---|
| Prof. Chen | 33,428,550 | 44.57% |
| Shenzhen Oriental Fortune Venture Capital (Limited Partnership) ( ) | 6,249,975 | 8.33% |
| Chen Liang ( ) | 5,361,675 | 7.15% |
| Shenzhen Xiaoyang Science & Technology Investment Co., Ltd. ( ) | 4,464,300 | 5.95% |
| Sichuan Zhongcheng Management Consulting Co., Ltd. ( ) | 3,857,175 | 5.14% |
| Shenzhen Chuangdongfang Growth Investment Enterprise (Limited Partnership) ( ) | 3,571,425 | 4.76% |
| Yan Aixi ( ) | 2,185,725 | 2.91% |
| Zhou Zhihua ( ) | 2,185,725 | 2.91% |
| Shenzhen Xinyu Industrial Co., Ltd. ( ) | 1,821,450 | 2.43% |
| Other Shareholders[(1)] | 11,874,000 | 15.83% |
| Total | 75,000,000 | 100% |

Note:

(1) Other Shareholders represent 41 Shareholders at the time of our conversion into a joint stock company, each of whom/which held no more than 2% of our Shares.

Between 2009 and 2011, our Company underwent a series of capital increases. Upon completion of such capital increases, our Company had a total share capital of RMB90,000,000 divided into 90,000,000 Shares.

Listing on ChiNext of the Shenzhen Stock Exchange

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 Share Offering"), 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:

| Name of Shareholders | Number of A Shares Held | Percentage of Shareholding |
|---|---|---|
| Prof. Chen | 31,442,825 | 26.20% |
| Shenzhen Oriental Fortune Venture Capital (Limited Partnership) ( ) | 6,796,850 | 5.66% |
| Chen Liang ( ) | 6,288,525 | 5.24% |
| Lhasa Changyuan Yingjia Investment Co., Ltd. ( ) | 5,685,725 | 4.74% |
| Shenzhen Xiaoyang Science & Technology Investment Co., Ltd. ( ) | 4,854,925 | 4.05% |
| Shenzhen Chuangdongfang Growth Investment Enterprise (Limited Partnership) ( ) | 3,883,925 | 3.24% |
| Sichuan Zhongcheng Management Consulting Co., Ltd. ( | Co.N0 TD1.02 l B* Q BT /F1 1 Tf 205.3984 4o.,Co.N0 T403 0 TD ( )Tj /F11 1 Tf 1. 1 Tf 1.035 | |

Share Cancellations

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 Stocks that had been granted under the 2022sc 0 Tw [(Sc)

Satisfaction of the Free Float Requirement

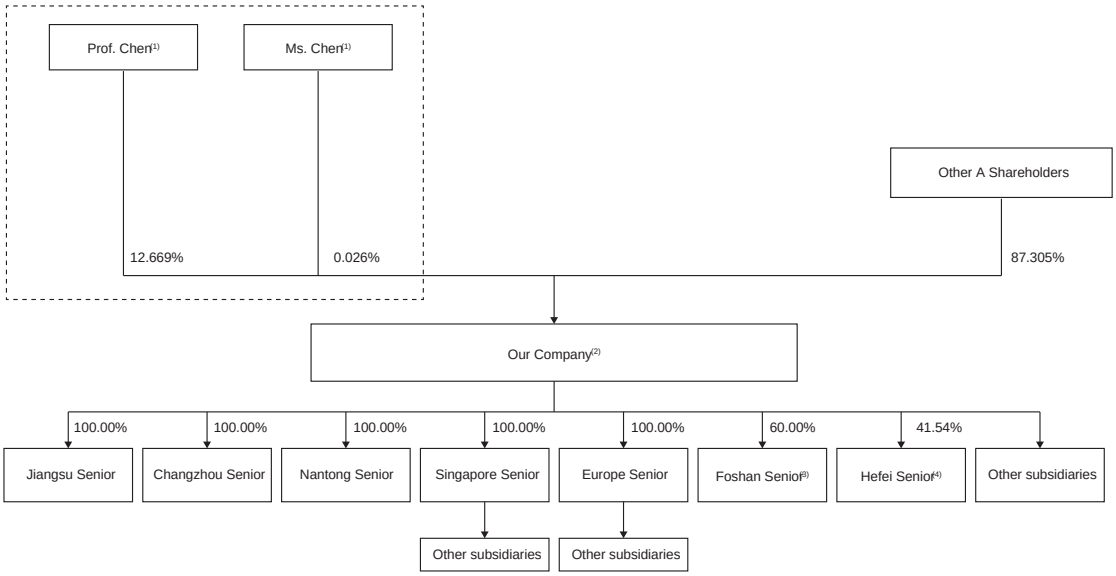
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions whether under contract, the Listing Rules, applicable laws or otherwise, at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

The Company is expected to satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CORPORATE STRUCTURE

Corporate structure immediately before the [REDACTED]

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.

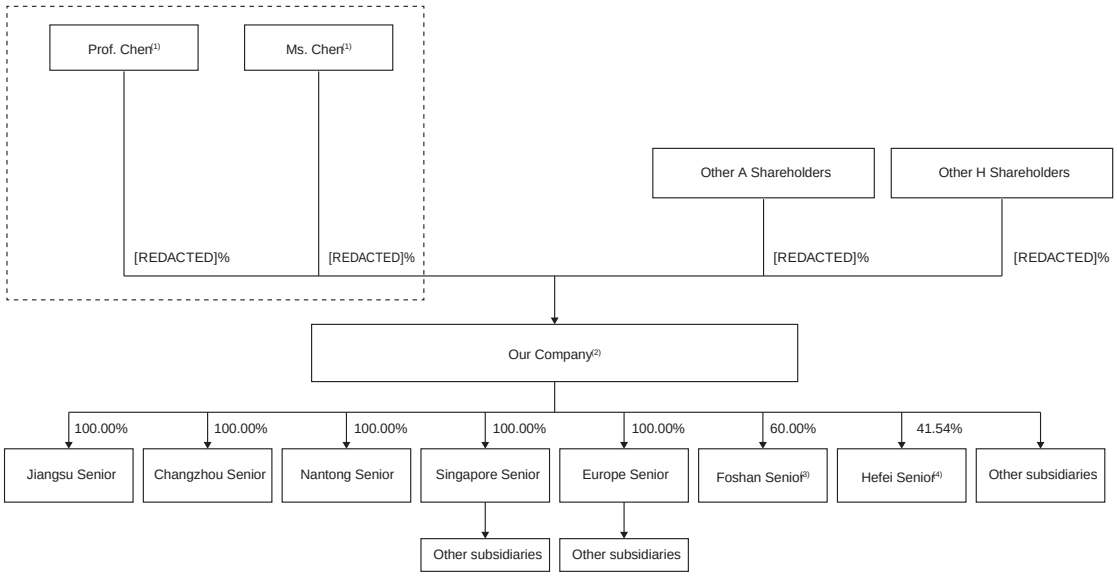
(2) As at the Latest Practicable Date, we had 24 subsidiaries, including our Principal Subsidiaries and other subsidiaries incorporated in various jurisdictions.

(3) As at the Latest Practicable Date, the remaining 40% interests in Foshan Senior were held by Foshan Lanhai Huizhi Investment Management Co., Ltd. ( ), which is in turn held by Foshan Nanhai Industrial Development Investment Management Co., Ltd. ( ), 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

Corporate structure immediately following the [REDACTED]

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




Notes:

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

OVERVIEW

## Global Market Share

**11.6%**
Market share in 2025 in terms of total shipment volume

**Wet Process Ranked Fourth**
Wet process separators market share ranked fourth in 2025 by shipment volume

**Dry Process Ranked First**
Dry process separators market share ranked  rst in 2025 by shipment volume

## Designed Production Capacity

**Over 2 billion $m^2$ as of 31 December 2025**
Designed overseas annual production capacity

**8 manufacturing bases**
Changzhou, Jiangsu, Hefei,
Nantong, Foshan
(the above in operation)
the U.S., Malaysia, Sweden
(the above under construction)

## Manufacturing

**Among the few in the industry**(1)
With self-designed equipment

## R&D

**First in Chinese Mainland**(1)
Capabilities in dry, wet and coated process separators manufacturing technologies

**4 global R&D centres**
Japan, Sweden, Shenzhen, Nantong

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 2025, 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 international 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 b

| Products Series | Main Specifications | Applications | Advantages |
|---|---|---|---|
| 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  Forward-looking layout | Thickness: 5–25μm | Batteries for EVs, consumer electronics and energy storage batteries with higher safety requirements | High safety, high wettability and adjustable coating thickness |
| Semi-solid-state electrolyte separator | 3–20 μm | High-performance EVs, drones and humanoid robots | Low-temperature operation, high safety and low interface resistance |
| Solid-state electrolyte membrane | 7–30 μm | 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

With competitive technologies, a diverse product portfolio and a comprehensive sales and production network, we have built strong relationships with 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 Platform" 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 U.S. 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 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.
- R&D team consisting of cross-disciplinary technical talents. As at 2025, we have established a multidisciplinary R&D team of 699 members specialised in fields of material science,

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, underpinned by over 20 years of R&D and a proven track record of serving world-leading battery manufacturers.

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 competitive 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 six years consecutively and our market share increased from 11.0% in 2020 to 11.6% in 2025.

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 F

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, including dry process separators, wet process se

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 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 31 December 2025, we have established a multidisciplinary R&D team of 699 members specialised in fields of materials science, polymer chemistry, mechanical automation and electrochemistry. Our R&D personnel make up approximately 13.7% 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 Chinese Mainland, 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 upgrTJ -33uringrocesser manuocessefactuocessering lines to enhancuringuality and e 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

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

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



separator manufacturers in Chinese Mainland 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 session 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 develop an industry resource network for the in-depth integration of industry, academia and research. His cross-disciplinary leadership and academic background provide us with strategic guidance to grasp the strategic direction of lithium-ion battery separator technology and explore cutting-edge sectors, such as solid electrolyte composite separators.

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 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

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 top-tier talent in advanced sectors such as new materials to strengthen our technical innovation capabilities. On the commercial front, we plan to attract and nurture local sales experts experienced in international

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.

- 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 lithium-ion battery separator manufacturer with strong brand recognition in the industry. Being the first manufacturers in Chinese Mainland 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

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 tem.4.78(t 7iR.4.78(rI)-.5he)-49 datedattery f63.2uTth(r)-0.6(i5.1(cr(eas(s)-314.7(ned)0304.7(a)2-5ppo)3.3roac(he)]TJ 2351345 0 TD .031 Tc [(s)-32
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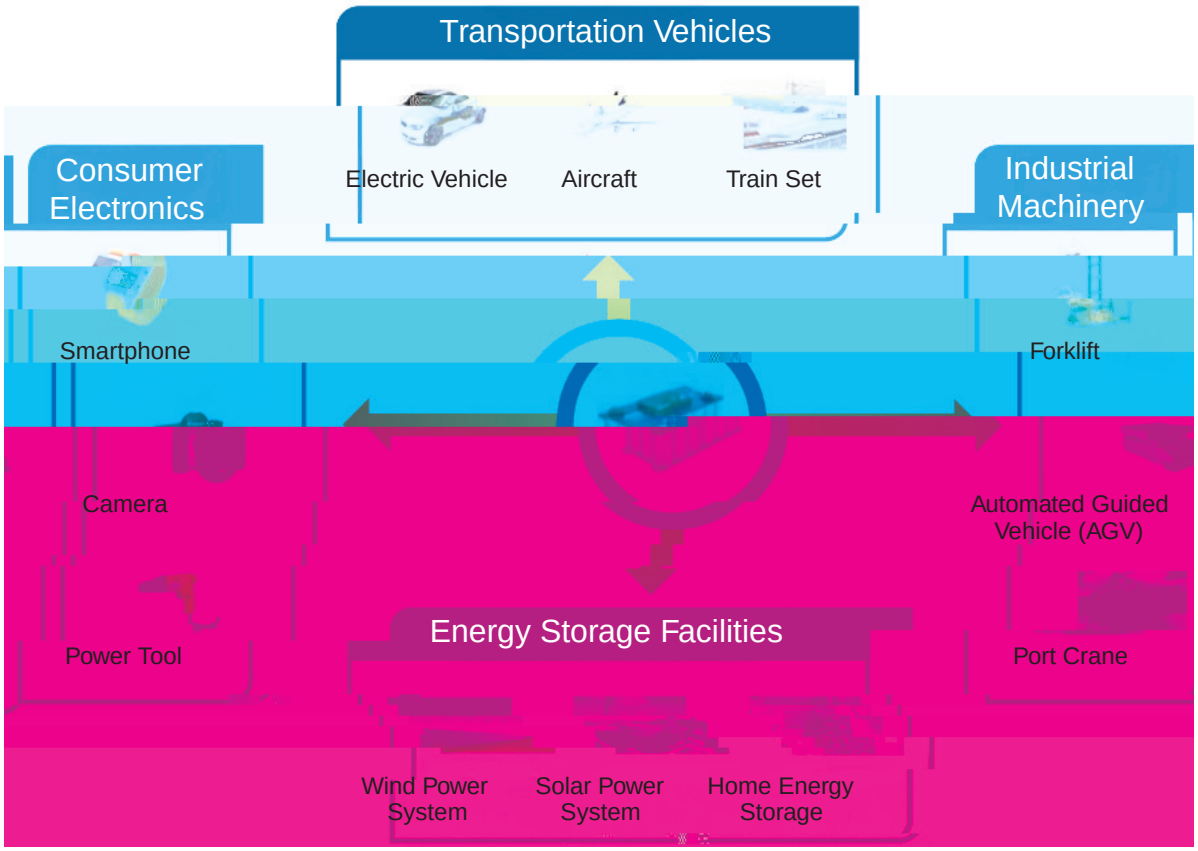
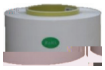
The chart below demonstrates the specific applications of our lithium-ion battery separators.




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: 3–40m<br>. Breathability: 120–150s<br>. Porosity: 30%–60%<br>. Puncture strength: 200+gf | . High melting point temperature<br>. No shrinkage in transverse direction<br>. Adjustable pore size, good uniformity | Used in batteries for EVs, electric bicycles, power tools, digital devices and energy storage |
| Wet Process Separator  | . Thickness: 3–25m<br>. Breathability: 70–500s<br>. Porosity: 30%–60%<br>. Puncture strength: 300+gf | . Diverse designs<br>. Uniform pore size distribution<br>. Good permeability<br>. High porosity<br>. High strength | Used in batteries for EVs, power tools and high-end digital devices |
| Coated Separator  | . Thickness: 5–25m<br>. Breathability: 100–400s<br>. Porosity: 30%–60%<br>. Puncture strength: 400+gf | . High thermal stability<br>. Improved electrolyte<br>. Wettability<br>. High electrochemical stability<br>. Low impedance<br>. 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 9–40 μm, 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°C–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 5–25 μm, 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 permeability, which promote the travel of ion throughout the battery. As a result, the use of our wet process separators in lithium-ion batteries serves to improve the absorption and retention of electrolytes and thus the charge-discharge cycle of batteries.

Our wet process separators are more suitable for batteries which require high energy density, such as ternary lithium-ion batteries that are primarily used in high-end consumer electronics and NEVs.

Coated Separators

the breakdown of the revenue by product category for the periods indicated.

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | RMB'000 | % | RMB'000 | % | RMB'000 | % |
| Coated separators | 1,837,029 | 61.6 | 2,541,055 | 72.5 | 3,017,028 | 74.0 |
| Wet process separators | 469,107 | 15.7 | 495,103 | 14.1 | 593,228 | 14.6 |
| Dry process separators | 675,727 | 22.7 | 469,995 | 13.4 | 466,589 | 11.4 |
| Total | 2,981,863 | 100.0 | 3,506,153 | 100.0 | 4,076,845 | 100.0 |

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

| | Year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | |
| | Revenue | Sales volume thousand $m^2$ | Average selling price RMB per $m^2$ | Revenue | Sales volume thousand $m^2$ | Average selling price RMB per $m^2$ | Revenue | Sales volume thousand $m^2$ | Average selling price RMB per $m^2$ |
| Coated Separators | 1837,029 | 890,429 | 2.06 | 2,541,055 | 2,032261 | 1.25 | 3,017,028 | 2,557,598 | 1.18 |
| Wet Process Separators | 469,107 | 443,937 | 1.06 | 495n(.)9..03l -31Hf162339.386(s)6.7(S).06 | | | 443,9336,5577.8(2.)-3(28(6)1.06)-2529(Tc 13 | | |

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 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

5etric Snergyts.5%

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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

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

- Water treatment membranes. Our water treatment membranes typically have a coated thickness range of 20 to 30μm, 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 strengthening our R&D capabilities by enhancing our global R&D teams, centres and 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 2023, 2024 and 2025, our research and development expenses amounted to RMB242.5 million, RMB248.0 million and RMB278.4 million, respectively, representing 8.1%, 7.1% and 6.8% of our revenue for the same periods, respectively.

Our 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 R&D capabilities lay a strong foundation for our continuous business expansion in the mid- to high-end

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 |
| --- | --- | --- |

## Our R&D Platforms

Our R&D platforms comprise in-house R&D platfo rms, 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 w ith the relevant government authorities and (ii) industry-academia-research platforms involve collaboration with other parties, such as universities, while our R&D centres are generallyestablished 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 R&D platforms of lithium-i on 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<br>Established in 2018<br>National-level research centre recognised by NDRC | . A competitive lithium-ion battery separator R&D platform in the country<br>. Focus on the research of polymer lithium-ion battery separator materials<br>. Enhanced R&D by increasing equipment investments and recruiting high-end talents<br>. Establish innovative system for high-safety, high-strength, ultra-thin and functionalised separators |
| Shenzhen Lithium-ion Battery Separator Engineering Centre ( ) | Located at Shenzhen, China<br>Established in 2009 | . Focus on innovative membrane-forming technology, coating technology and new material technology<br>. Capable of preparing R&D sample for our customers<br>. 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<br>Established in 2012 | . Focus on R&D and application of new functional polymer membranes<br>. Engage in R&D, engineering production, application consultancy, problem diagnosis and solution provision |
| Shenzhen Functional Membrane Enterprise Technology Centre ( ) | Located at Shenzhen, China<br>Established in 2017 | . Focus on optimising the production process across all stages of functional membrane development<br>. 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

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 Chinese Mainland, 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 2023, 2024 and 2025, our selling expenses amounted to RMB38.7 million, RMB37.1 million and RMB42.8 million, respectively, representing 1.3%, 1.1% 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 policy. Customers shall inspect and examine the products before the acceptance. In case any defect is discovered, the customer has the option to request us to exchange the defected products or provide a refund.
- Termination. The agreement can only be terminated by mutual agreement of both parties.

During the Track Record Period, we also engaged individual sales agents to facilitate sales to certain overseas customers. The number of sales agents engaged by us was limited, comprising one agent in 2023, two agents in 2024. In 2024, we started the transition to a direct sales model for overseas markets. The transition to a direct sales model was driven by our strategic objective to deepen customer relationships, enhance service quality and responsiveness and improve our understanding of local market dynamics. By engaging directly with overseas customers, we are better positioned to provide tailored technical support, respond promptly to customer requirements and capture a greater share of the value chain, which we believe will support the long-term growth of our overseas business. The transition was completed by the end of 2024 and we did not engage any sales agents in 2025. In 2023, 2024 and 2025, our revenue generated through sales agents amounted to RMB657.9 million, RMB83.1 million and nil, respectively.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our Group did not have any material disputes with its customers or face any major return of defective products.

Global Sales Network

We are primarily engaged in R&D, designing, manufacturing and sale of lithium-ion battery separators to both overseas and domestic markets. We initially targeted customers in the PRC and started to expand into the overseas market in 2012. As at the Latest Practicable Date, we have established market presence across multiple countries and regions including key global markets such as Chinese Mainland, South Korea, Japan, the SEA and Europe. We are actively exploring emerging markets in the Middle East, Africa, Oceania and South America.

We became one of the pioneers to export lithium-ion battery separators with advanced functionalities to these regions and have established long-term relationships with leading lithium-ion battery manufacturers. With the increasing demand for lithium-ion batteries in overseas market, we reap the benefit of early establishment of the relationship with these customers and successfully increased the sales volume of our products over the Track Record Period.

The following table sets forth the breakdown of our revenue by geographic region in 2023, 2024 and 2025.

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | | | | | | |
| | | | | | | |

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 reTg3ued 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 reTg3ued any material Tomplaints regarding our products. Our DireTtors 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

2024 and 2025, revenue from our largest custo

| 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 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 B | dry process, wet process and coated separators | 373.0 | 10.6 | 2008 | Headquartered in Chinese Mainland, a company specialising in the manufacture of EVs and batteries | 60 days |
| 3 | Customer F | dry process, wet process and coated separators | 337.3 | 9.6 | 2017 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of lithium-ion batteries | 90 days |
| 4 | Customer G | dry process, wet process and coated separators | 311.1 | 8.9 | 2019 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials | 120/180 days |
| 5 | Customer E | wet process and coated separators | 304.0 | 8.7 | 2015 | Headquartered in Chinese Mainland, 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 Year Ended 31 December 2025 | | | | | | | |
| 1 | Customer F | dry process, wet process and coated separators | 669.5 | 16.4 | 2017 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of lithium-ion batteries | 90 days |
| 2 | Customer A | dry process and coated separators | 510.9 | 12.5 | 2012 | Headquartered in South Korea, a company operating in various industries, including electronics, chemicals, telecommunications, and services | 90/135 days |
| 3 | Customer G | dry process, wet process and coated separators | 474.8 | 11.6 | 2019 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials | 120 days |
| 4 | Customer B | dry process and coated separators | 453.8 | 11.1 | 2008 | Headquartered in Chinese Mainland, a company specialising in the manufacture of EVs and batteries | 60 days |
| 5 | Customer E | wet process and coated separators | 376.0 | 9.2 | 2015 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of lithium-ion batteries and related materials | 120 days |

During the Track Record Period, we had significant customer concentration in NEVs and energy storage systems industries, with all of our top five customers for each year during the Track Record Period being part of the value chain of the abovementioned industries. In 2023, 2024 and 2025, our revenue generated from our five largest customers in each year accounted for 63.8%, 50.9% and 60.8% of our total revenue in each year, respectively. The new energy vehicle and energy storage systems industries are rapidly evolving, policy-driven sectors that underpin global decarbonisation efforts by emphasising the development of EVs and advanced lithium-ion battery technologies. Our business is closely linked to the market outlook and regulatory environment of these industries, as demand for our separator products is driven in part by the production and sales of lithium-ion batteries and related end products, which directly reflect demand and activity in such industries. See "Risk Factors — Risks Relating to Our Business and Industry — 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."

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 close 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 year during the Track Record Period.

## RAW MATERIALS AND SUPPLIERS

### Our Suppliers

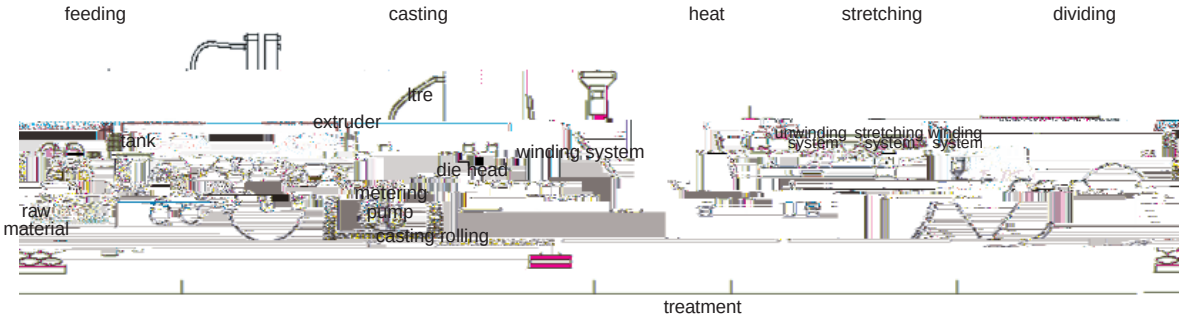
We purchase raw and auxiliary materials and other auxiliary materials directly from suppliers. The main raw materials used for production of lithium-ion battery separators include thermal plastics such as PP and PE, additives, packaging and auxiliary production materials.

In the years ended 31 December 2023, 2024 and 2025, our cost of raw materials were RMB693.7 million, RMB1,271.1 million and RMB1,410.3 million, respectively, accounti

| 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 2024 | | | | | | | |
| 1 | Supplier B | 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 D | Slurry | 141.4 | 8.7 | 2022 | Headquartered in Chinese Mainland, 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 Chinese Mainland, 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 F | Thermal plastic | 60.7 | 3.8 | 2020 | Headquartered in Chinese Mainland, a company mainly engaged in the sales and service of chemical products | Prepayment in full |
| For the Year Ended 31 December 2025 | | | | | | | |
| 1 | Supplier B | Thermal plastic | 262.2 | 13.7 | 2020 | Headquartered in South Korea, a company with business operations covering petrochemicals, chemical materials, energy, and related fields | Prepayment in full |
| 2 | Supplier D | Slurry | 220.3 | 11.5 | 2022 | Headquartered in Chinese Mainland, a company specialising in the research, development, production, and sales of chemical products | 30 days after receipt of products |
| 3 | Supplier A | Thermal plastic | 214.8 | 11.2 | 2013 | Headquartered in South Korea, a company specialising in the production of petrochemical products | Prepayment in full |
| 4 | Supplier E | Slurry | 128.0 | 6.7 | 2019 | Headquartered in Chinese Mainland, 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 G | Packaging materials | 94.0 | 4.9 | 2024 | Headquartered in Chinese Mainland, a company specialising in the research and development, production and sales of paper products | 60 days after receipt of products |

Supply Chain Management

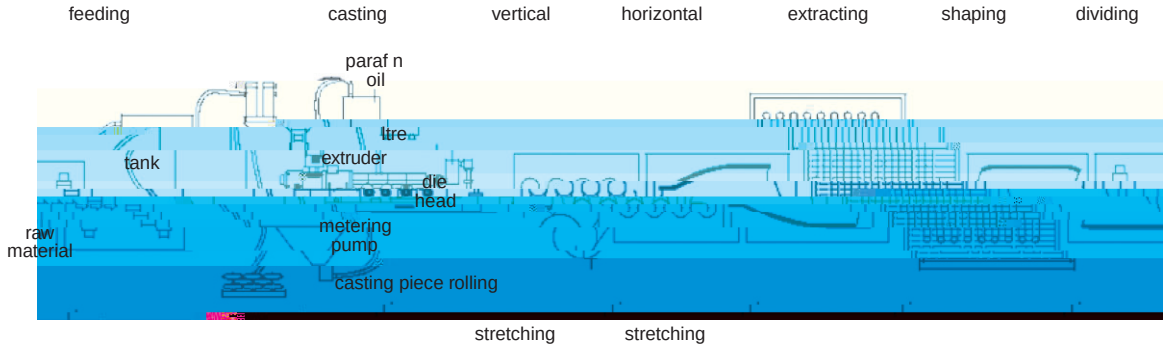
The diagram below illustrates the workflow of the dry process.




## Wet Process

The wet process is a chemical microporosity formation technology, also known as phase separation or heat-to-phase separation. We start by mixing polymer with hydrocarbon liquid and other additives, then heat the mixture into a homogenous solution. The solution then undergoes cooling, phase separation and extruding to form a cast membrane. We subsequently stretch the membrane biaxially in both the machine and transverse directions, and finally remove the remaining solvent to form an interconnected, microporous membrane.

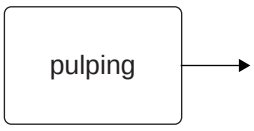
The diagram below illustrates the workflow of the wet process.




## 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 the workflow of the coating process.



Manufacturing Facilities

We have established a network of manufacturing facilities in different parts of Chinese Mainland 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 during the Track Record Period:

| No. | Manufacturing |
|---|---|

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

As advised by our PRC Legal Advisers, based on the credits reports and compliance confirmation letters issued by relevant government departments and the PRC legal adviser'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., Malaysian and Swedish legal advisers, there are currently no foreign investment restrictions on our organic growth or on conducting our own research and development activities in the U.S., Malaysia or Sweden.

Rationale for Establishing Manufacturing Facilities in the U.S. and Malaysia

To satisfy the fast-growing demand from our overseas customers, we are building new manufacturing facilities to expand our production capacity and to provide our target customers with comprehensive services supported by localised supply and supporting facilities, with our U.S. and Malaysia bases under construction and expected to commence production from the end of 2026 to the first half of 2027, respectively. We plan to proactively expand our overseas markets where selling prices are generally more favourable than in the domestic market, which we expect to improve our overall profitability.

Our decision to establish manufacturing presence overseas reflects the following interrelated strategic objectives: (i) capturing growing overseas demand for battery separators; (ii) enjoying overseas pricing advantages; (iii) mitigating geopolitical risks; (iv) diversifying our supply chain by operating manufacturing facilities across multiple geographies; (v) achieving cost efficiencies through localised manufacturing in Malaysia and the U.S.; and (vi) improving proximity and responsiveness to customers in target markets.

Growing Overseas Demand for Battery Separators

During the Track Record Period, our revenue from shipment destinations outside Chinese Mainland increased from RMB469.2 million in 2023 to RMB568.2 million in 2025. Our separator product sales to the U.S., although relatively small, enjoyed rapid growth (inv)-h million in 2023 to.1 millionn 025, reflect2(2)i0314 Tc so.5(pial.riod,)-381.8(5re)-3s5.7(s).7(eparvi))6 TD [(prodod,)-5s8.7

lithium-ion battery separators in Southeast Asia is expected to increase from approximately 0.1 billion m2 to nearly 5.0 billion m2, at a CAGR of over 115%, establishing the region as a major overseas manufacturing base for global lithium-ion battery separators industry.

In addition to the U.S. and European manufacturing bases, we have established our Malaysia manufacturing base in Penang primarily as a cost-efficient production hub to serve international markets, leveraging Malaysia's advantages in construction costs, labour costs and raw material

Proximity to Customers

Our U.S. manufacturing base, currently under construction in North Carolina, will produce coated separators with primary sales markets in the U.S. and Canada. The base is being developed to enable faster response to customer needs and to provide tailored services aligned with local regulatory and market environments. Our Malaysia manufacturing base, under construction in Penang, Malaysia, is strategically positioned to serve customers across Southeast Asia and other ASEAN member states, as well as other international markets. Proximity to customers reduces lead times and enables our technical teams to work more closely with customers during product qualification and after-sales service, which is particularly important given the extended qualification periods typical in the battery separator industry.

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 2023, 2024 and 2025.

| | For the year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Designed Production[(1)] Capacity ($m^2$ in millions) | 2,923.5 | 4,475.8 | 5,687.9 |
| Actual Production Volume ($m^2$ in millions) | 2,589.3 | 4,045.9 | 4,584.7 |
| Utilisation rate (%) [(2)] | 89 | 90 | 81[(3)] |

Notes:

(1) Production capacity is calculated based on the actual operating days of each production line in each year during the Track Record Period, operating at eight hours per day. The annual production capacity of our Shenzhen manufacturing base is calculated on a pro rata basis to reflect the cessation of production at that base in the last quarter of 2025. Following the cessation of production at our Shenzhen manufacturing base, our aggregate annual designed production capacity decreased to 5,472.3 million $m^2$.

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

(3) Our utilisation rate for the year ended 31 December 2025 was slightly lower than that of the year ended 31 December 2024, primarily due to (i) the additional production capacity brought by the newly commissioned Foshan manufacturing base and (ii) the cessation of pro

| Machine Name | Key Features | Usage |
|---|---|---|
| Integrated Thermal Treatment and Stretching Machine | . Improves production efficiency, achieves uniform thermal treatment effects<br>. With three self-developed patents | . Stretches the composite base film at low temperatures to form micro-defects after heat-treating the composite base film<br>. Performs high-temperature stretching to expand the micro-defects, forming a porous separator |
| High-Speed Slitting Machine | . High efficiency of 200 metres per minutes<br>. With five self-developed patents | . Cuts large, wide separators into specified sizes for shipment under room temperature |
| Wet Process Extraction Tank | . High efficiency<br>. 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<br>. Facilitates resource reuse<br>. With two self-developed patents | . Treats mixed liquids generated during production for reuse |
| Exhaust Gas Recovery System | . Environmentally friendly<br>. With three self-developed patents | . Ensures gases generated during system operations meet the relevant emission standards |
| Double-Sided Coating Line | . High efficiency<br>. Enhances performance<br>. With four self-developed patents | . Coats the surface of the base film to improve product performance |
| Oil Coating Line | . Enhances product performance<br>. With three self-developed patents | . Applies functional coatings to enhance product performance |
| Edge Collection Machine | . High stability<br>. 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 31 December 2025, our Group had 987 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 ono5-300.3s-382.9(f)-1.[(and)-276.s(l)tr(m)-5.trin44(onogent)-743.9uabum

## WAREHOUSING AND LOGISTICS

### Warehousing

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

the current production volume and evaluate and

material order cancellations or fluctuations in revenue, gross profit margins, business financial condition or overall results of operations as a result of the imposition of tariffs by the U.S. or the EU.

Based on the above, the Sole Sponsor concurs that tariffs, trade restrictions and export controls have not had during the Track Record Period and up to the Latest Practicable Date, and are not expected to have, any material adverse effect on the Group's business, financial condition or results of operations.

EMPLOYEES

We believe that our professional workforce is the driving force of our long-term growth. As at 31 December 2025, we had 5,113 full-time employees. Substantially all of our employees were in the PRC. The table below sets forth the number of our employees by function as at 31 December 2025.

| | Number of Employees |
|---|---|
| Function | |
| Production | 3,448 |
| R&D | 699 |
| Administrative | 841 |
| Sales and marketing | 66 |
| Financial | 59 |
| Total | 5,113 |

We enter into standard labour contracts with our employees. We also enter into standard confidentiality and non-compete agreements with our senior management and key technical employees.

Our success depends on our ability to attract, retain and motivate qualified personnel. We recruit our employees based on a number of factors such as their work experience, educational background and our vacancy needs. Our recruiting efforts include online recruiting, internal referral and, to a lesser extent, on-campus recruiting and use of professional recruiters. We provide pre-job and on-the-job training to our employees to equip them with requisite skills and knowledge for their positions.

We believe we offer our employees competitive compensation packages and an environment that encourages initiative. The remuneration payable to our employees includes salaries, allowances and discretionary bonus. We conduct periodic performance review for our employees and their remuneration is based on factors including qualifications, contributions, years of experience and performance.

Dispatched Staff

During the Track Record Period, we occasionally engaged employment agents to provide us with dispatched workers to cope with the production demands. See "— Legal Proceedings and Compliance — Legal Compliance — Legal Compliance of Dispatched Labour" for details. We paid service fees to the employment agent for hiring such staff, and the benefit expenses and other applicable costs such as social insurance and housing funds were borne by the employment agent.

The salient terms of our Labour Dispatch Collaboration Contract with the employment agents typically includes the following:

- Basic information: Name and nature of the job position, working location, number of individuals dispatched and term of the dispatch arrangement.

. Scope of services.Employment agents shall provide qualified outsourced personnel according to our schedule, ensure medical clearance with genuine reports, handle training

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. However, as a result of historical reasons, it would be difficult for us to obtain the certificates of these properties in Chinese Mainland. As advised by our PRC Legal Adviser, the potential consequences of not obtaining the real estate ownership certificates include being ordered by the competent authorities to make corrections within a prescribed time limit, demolish the buildings within a

| No. | Entity | Name of the licence, approval or permit | Expiry date |
|---|---|---|---|
| 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 |
| 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. The table below sets forth a summary of significant awards and recognitions related to our Group in 2023, 2024 and 2025.

| Year | Awards/certifications | Awarding body |
|---|---|---|
| 2024 | First Prize of State Science and Technology Progress Award ( ) | State Council of the People's Republic of China ( ) |
| | 2024 Enthusiastic Contribution Award (2024 ) | Shenzhen Polymer Industry Association ( ) |
| | Sixth Innovation Award of Polymer Industry ( ) | Shenzhen Polymer Industry Association ( ) |
| | Second Prize of Science and Technology Progress of Guangdong Province ( ) | Government of Guangdong Province ( ) |

| 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 ( ) |

COMPETITION

supported a recovery in profitability. As a result, the Group's gross profit margin showed signs of stabilisation for the three months ended 31 March 2026 as compared to the three months ended 31 March 2025:

. Diversification and expansion of customer base overseas

We are systematically expanding our international presence by establishing overseas manufacturing bases, including manufacturing bases in the U.S., Sweden, and Malaysia. This

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 NEV, energy storage facilities and consumer electronics sectors, we aim to strengthen customer loyalty, increase its share of client procurement, and drive joint innovation.
- Maintain leadership in relevant technologies through sustained R&D investment and close monitoring of industry trends. we plan to further develop our well-established three-pronged innovation ecosystem, upgrading internal R&D mechanism, expanding 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 43.3%, 28.1% and 21.7% in 2023, 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. For example, as market conditions in the industry, in particular the coated battery separator market, began to stabilise in the first quarter of 2026, we successfully seized the opportunity to refine our product mix and implement more differentiated pricing, which supported an improvement in our profitability in the same quarter.

- Optimise our product mix

  We intend to optimise our product portfolio by gradually increasing the proportion of coated separator products vis-a-vis dry process separator products. The coating process generally significantly increase the thermal stability, anti-oxidation, adhesion and safety of the base film and thus improve the performance and safety features of the batteries. Thus, our coated separator products generally have higher gross profit margins than dry process 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. According to Frost & Sullivan, as domestic overcapacity intensifies, Chinese separator manufacturers have begun expanding overseas, which may exert incremental pricing pressure on overseas markets over time. However, the supplier qualification and certification process required by downstream battery manufacturers is typically longer in overseas markets as compared to domestic customers, and the resulting high switching costs create meaningful barriers to competition that support the price premium. 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 “

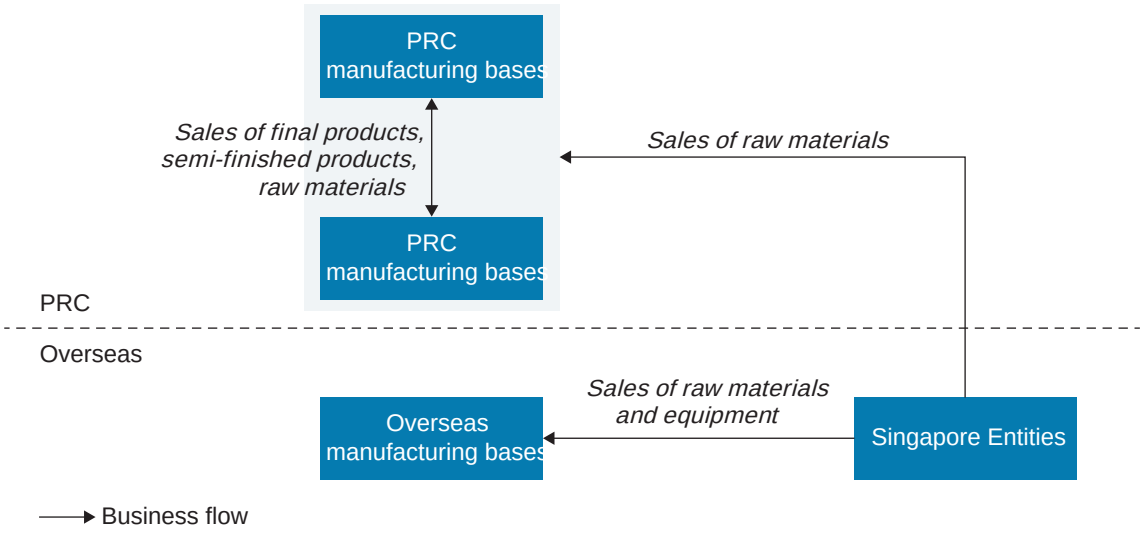
Transfer Pricing Assessment

We have engaged an independent transfer pricing consultant ("Transfer Pricing Consultant") to perform transfer pricing review, including benchmarking studies, to evaluate the transfer pricing arrangements in relation to the above-mentioned intra-group transactions during the Track Record Period.

(A) Our Group's intra-group buy-sell transactions

During the Track Record Period, the majority of our intra-group buy-sell transactions took place within the PRC. The remaining cross-border transactions, which account for approximately 23% of intra-group activities, were primarily conducted between our Singapore Entities and manufacturing bases.

The diagram below sets out the business flow for our Group's primary intra-group buy-sell transactions during the Track Record Period:




Our Group's primary intra-group buy-sell transactions could be illustrated and assessed as follows:

(i) Domestic intra-group buy-sell transactions

Our Group's domestic intra-group transactions largely involved the purchase and sale of finished goods, semi-finished goods, and raw materials between our PRC manufacturing bases (with similar corporate income tax rates). These were standard internal transfers and resales.

Benchmarking studies were conducted to evaluate these intra-group transactions by applying appropriate transfer pricing methods and profit-level indicators ("PLIs"), which established the arm's-length ranges of comparable companies accordingly. Based on the analysis, the profitability of our manufacturing bases achieved in the above domestic intra-group buy-sell transactions fell within the arm's-length range during the Track Record Period.

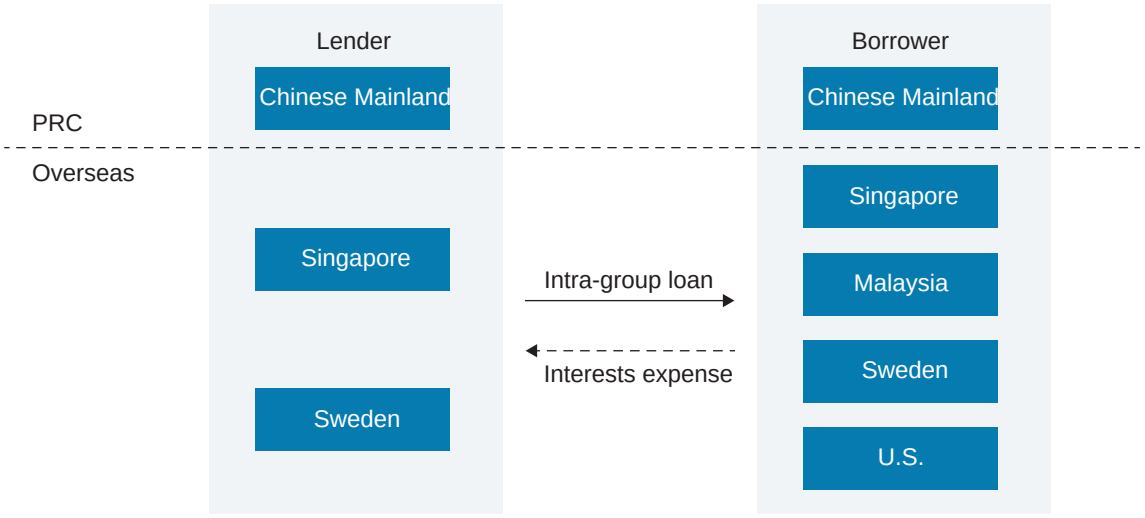
(ii) Cross-border buy-sell transactions between our manufacturing bases and Singapore Entities

Our Group's manufacturing bases purchased raw materials and equipment from our Group's Singapore Entities for production purposes. These Singapore Entities acted as routine distributors in the intra-group transactions. Based on their functional profiles, the Transactional Net Margin Method was selected as the most appropriate transfer pricing method, with the Return on Sales ("ROS") ratio used as the PLI to assess these transactions during the Track Record Period.

Given that the intra-group arrangement, business operation and functional profiles of our Singapore entities were similar during the Track Record Period, they were grouped together for the transfer pricing assessment. A benchmarking study was conducted by selecting independent companies that perform activities comparable to those of the Singapore Entities in their intra-group transactions. The three-year weighted-average ROS ratios of these comparable companies ranged from 1.09% to 5.44%. During the Track Record Period, the Singapore Entities achieved a weighted-average ROS ratio of 1.12%, which falls within the arm's length range established by the comparable companies.

(B) Our Group's intra-group loan transactions

The diagram below sets out the transaction flow of the intra-group loan arrangements within our Group during the Track Record Period:




Our Group had a total of 157 domestic and cross-border intra-group loan transactions during the Track Record Period. The entities involved in the loan transactions are located in jurisdictions including PRC, Sweden, Singapore, Malaysia, and the U.S., with transaction currencies as USD, RMB, EUR, SGD, MYR, and SEK. The subsidiaries that acted as borrowers in the loan transactions were assessed to have credit ratings of A+, A or A-. The borrowing maturities ranged from 0.1 to 5 years. Fixed rates were applied for these loans during the Track Record Period.

Benchmarking studies (totally 17 sets) were conducted by categorising each intra-group loan transaction based on key comparability factors such as credit rating, term, currency, and market conditions at the time of pricing. The Comparable Uncontrolled Price Method was selected as the most appropriate method for analysing the arm's length nature of these loan transactions. Given the inherent volatility in the interest rates of the selected comparable uncontrolled transactions, the observed rates exhibit a broad distribution. In this context, while the interquartile range is considered, the full range of observed rates is regarded as a relevant reference for assessing compliance with the arm's length principle, reflecting the variability characteristic of the underlying market data.

In general, 138 out of 157 of the transactions fell within the full range of benchmarking study. For transactions falling outside the full range and which could pose transfer pricing risks, a detailed analysis was performed on their specific facts and circumstances. Based on the analysis, 14 out of the 19 transactions did not result in any reduction in the corporate income tax liabilities of the relevant group entities in their respective jurisdictions during the Track Record Period, while 5 transactions led to a minimal reduction in corporate income tax liabilities amounting to RMB 413,889.44, which falls below the audit materiality threshold. Consequently, the overall transfer pricing risk related to these transactions is viewed as low.

Our Directors, together with the Transfer Pricing Consultant, are of the view that our relevant intra-group transactions were largely conducted on an arm's length basis, and were consistent and in compliance with the relevant transfer pricing regulations in relevant tax jurisdictions 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.

secrets or know-how; (iii) the cross-licence is perpetual and mutual, providing the Company with reciprocal freedom to operate under the counterparty's relevant patents, thereby greatly reducing the relevant future infringement claims against the Company; (iv) the Company's core competitive advantages, including its proprietary manufacturing processes, production capacity and customer relationships, are not diminished by the cross-licence; and (v) given the rapid development of

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 u

three times the amount in arrears. We do not intend to engage the third-party human resources agencies after [REDACTED].

As advised by our PRC Legal Adviser, on the basis that (i) based on interviews with the competent authorities in the locations where the majority of our employees are based, such authorities confirmed that they typically do not proactively require enterprises within their jurisdictions to make supplementary payments for shortfalls in social insurance or housing provident fund contributions and, provided that we complete any corrective actions as required upon receipt of notices from the relevant competent authorities, they will not impose penalties on us; (ii) the applicable laws and regulations and the execution and supervision requirements of local government do not materially change, and (iii) there are no unresolved material 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." Having considered the view of our PRC legal adviser, our Directors are of the view that the above-mentioned non-compliance has not had, and is not expected to have, any material adverse impact on our operations or financial performance.

On 31 July 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 (

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. 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 communicating the relevant status to the competent government authority, and as of the Latest Practicable Date, we have not received any further rectification requests from the government authority. We will continue to communicate with the competent government authority to ensure our ongoing compliance with relevant regulations and the government authority's requirements.

As advised by our PRC Legal Adviser, 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 conducted the acceptance of the environmental protection facilities and safety facilities.

Legal Compliance of Dispatched Labour

During the Track Record Period, the proportion of our dispatched workers at certain manufacturing bases that were either under construction or in the trial operation stage at times 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

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

As confirmed by our U.S. and Malaysian legal advisers and Swedish legal advisers 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 2023. 2024 and 2025, we invested a total of approximately RMB35.97 million, RMB39.6 million and RMB83.88 million in 2025 in environmental protection, respectively. 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 A-TD-QW08(10) Temperature and Humidity Management Standard (Shenzhen Senior) also sets out related sustainability requirements. (iii) Reduction of Solvent Usage in Slurry Formulation: The Group reduces solvent use in the production process through technological and management measures. For example, Nantong Senior has issued the Wet Process White Oil Recovery Operation Specification and the Wet Process Dichloromethane Recovery Operation Specification, which standardise the recycling process, improve solvent utilisation, reduce consumption, and minimise environmental impact. ( ) Extension of Battery Separator Life and Recyclability: Guided by our strategic plan, the Group continues to promote the development of green products. For example, the Eco-Separator No.1 has entered the customer validation stage. These aim to improve material performance while extending product life cycle and reducing environmental impact. Moreover, the Sustainability Action Plan (Europe Senior) has established design principles to enhance product recyclability and guide R&D direction.

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.

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 1 June 2023 to 31 May 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 | | |
|---|---|---|---|---|
| | Unit | 2023 | 2024 | 2025 |

- 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 production sites. A series of renewable energy application projects have been launched, accompanied by ongoing improvements in energy efficiency and expanded adoption of green electricity to support low-carbon production lines. In 2024, the Group's renewable energy usage rate reached 4.3%, and Europe Senior plans to achieve 100% renewable energy use in the short term. (iii) Driving clean technology upgrades: We continue to advance clean technology initiatives, with all production sites deploying online VOCs emissions monitoring systems. For example, Hefei Senior has adopted a combined approach of compression-condensation, membrane separation, and resin adsorption technologies to achieve 100% recovery of dichloromethane. In addition, Changzhou Senior implemented an energy-saving retrofit pilot for coating line ovens, reducing energy consumption by 40%. (iv) Enhancing green technology innovation: We actively integrate green chemistry concepts into product development to ensure both efficiency and environmental friendliness in material innovation. The Group has independently developed solid-state electrolyte membrane products, driving synergies between material performance and sustainability.

Climate opportunities

While addressing the risks posed by climate change, we are actively grasping market and technological opportunities in the industry, and enhancing our risk resistance and market competitiveness through technological innovation and management optimization.

With the rapid development of the new energy industry and rising customer preference for low-carbon products, the lithium battery separator market has ushered in a broad space for growth. We are actively promoting high-end product development and production capacity layout, while responding to green manufacturing and green supply chain policies to enhance product competitiveness and brand influence. Through technological innovation, management optimization and policy support, we will further expand our market share and improve profitability.

Society

We are committed to fulfilling our corporate s

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

## Business Ethics

We have established a business ethics management system covering system construction, supervision and implementation, and whistle-blower protection, and continue to strengthen integrity and compliance control. We have formulated the “Management Measures for Integrity in Business”, “Whistle-blower Protection System” and supporting implementation rules, and continuously improved the system framework in conjunction with reference to annual effectiveness evaluations. The Company has established independent whistle-blowing channels and verification procedures, defined the investigation process, while strictly prohibiting any form of retaliation and effectively safeguarding the rights and interests of whistle-blowers. We insist on “zero tolerance” for corruption and bribery, malfeasance and dereliction of duty, and include major violations in the management’s performance evaluation, so as to promote effective fulfilment of responsibilities. By signing the “Letter of Commitment on Integrity” and conducti

security events. We also dedicated information syste me administrators to review the security situation to maintain high standards of data integrity and s ecurity. This review process includes examining authorised access, privileged operations, attem ts at unauthorised access, system failures, and anomalies.

Regulatory Compliance Risk Management

We are subject to evolving regulatory requir

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 necessary0.8(dS TD .02.6(e.1 J.6(j02.w 10 M []02.d 705.

# RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

## OVERVIEW

As at the Latest Practicable Date, our Company is held as to approximately 12.669% and 0.026% 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 12.695% of our Shares in issue.

Immediately following the completion of the [REDACTED], 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

(v) Prof. Chen shall be liable for all economic loss suffered by our Company as a result of a breach of the above undertakings.

## INDEPENDENCE OF OUR GROUP FROM OUR SINGLE LARGEST SHAREHOLDERS

Our Directors are of the view that our Group is capable of carrying on its business independently from its Single Largest Shareholders following the completion of the [REDACTED] for the following reasons.

Management Independence

Our Board currently comprises three executive Directors, one non-executive Director and three independent non-executive Directors. Our daily management and operational decisions are made

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 drearging 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 suppor

(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 any conflict of interests circumstances between our Group, on one hand, and our Single Largest Shareholders and/or our Directors, on the other hand, our Single Largest Shareholders and/or our Directors shall provide our independent non-executive Directors with all necessary information for consideration and our independent non-executive Directors can seek advice from independent advisers at the cost of our Company where

. 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

In addition, we confirm that we will comply with the relevant requirements under Chapter 14A of the Hong Kong Listing Rules and immediately inform the Stock Exchange before any of the proposed annual caps set out above is exceeded, or when there is a material change in the terms of these transactions.

DIRECTORS' CONFIRMATION

Our Directors (including independent n84.8(6((inc)-5.5(lud)-4.3(i)-1.8(n12Ee-4.3(e39.4(r)0(elev)-4.5(xp)2