
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a new energy materials company. We are the global leader of nickel-based and cobalt-based pCAM for lithium-ion batteries ranked by shipment volume for five consecutive years since 2020. We focus on the R&D, production and sales of new energy battery materials and new energy metal products.

In September 2014, our Company was founded by Mr. Deng and Mr. Tao Wu as a limited liability company in Tongren, Guizhou Province. In November 2019, our Company was converted into a joint stock company with limited liability from a limited liability company.

Since December 2020, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 300919). As of the Latest Practicable Date, our total issued share capital was RMB938,028,458, comprising 938,028,458 A Shares, of which approximately 56.31% was controlled by Mr. Deng, Ms. Wu, Zhongwei Holding and Hongxin Chengda, our Controlling Shareholders.

KEY DEVELOPMENT MILESTONES

The following is a summary of our Group's key development milestones:

Year	Milestone
2014	Our Company was founded by Mr. Deng and Mr. Tao Wu
2015	Our Tongren production base commenced production
2018	Our Ningxiang production base commenced production
2019	Our first recycling production base in Tongren, Guizhou was put into operation
2020	Our Company was listed on the Shenzhen Stock Exchange (stock code: 300919)
2021	Our Qinzhou production base commenced construction and was put into operation in the same year
2022	Our first overseas production base, Morowali production base in Indonesia, commenced production Our phosphorous-based pCAM production base in Kaiyang, Guizhou was put into operation
2023	Our sodium-based pCAM project commenced production, successfully achieving the industrialization of sodium battery precursors We entered into an agreement with AL MADA to collaborate on building a new energy battery material base in Morocco We entered into a joint venture agreement with POSCO to collaborate on building a pCAM base in South Korea
2024	Our CNGR brand electrolytic nickel was successfully registered on London Metal Exchange and Shanghai Futures Exchange Our industry-first low-cost NFPP pCAM for sodium-ion batteries, a promising alternative to lithium-ion batteries, commenced mass production We developed experimental titanium-doped LFP pCAM, which effectively enhance the kinetic performance of LFP by improving ion diffusion, electronic conductivity and structural stability
2025	Our production lines for nickel-based pCAM in Morocco became operational

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MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our Major Subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Equity interest attributable to our Group</u>	<u>Principal business activities</u>
Hunan Zhongwei New Energy	PRC	December 26, 2016	75.78%	Manufacturing of metal materials and pCAM
Hunan Zhongwei Zhengyuan	PRC	November 23, 2016	100.00%	Trading of metal materials and pCAM
Guangxi Zhongwei New Energy	PRC	February 8, 2021	76.88%	Manufacturing of metal materials and pCAM
Guizhou Zhongwei New Material	PRC	May 31, 2022	100.00%	Trading of metal materials and pCAM
Guizhou Zhongwei Resources Recycling	PRC	October 8, 2016	77.06%	Recycling and circular utilization of waste batteries, metals, and other resources
Guizhou Zhongwei Xingyang	PRC	November 3, 2021	52.00%	Production of phosphorus-based pCAM
DNI	Indonesia	October 1, 2021	50.10%	Production of metal materials
NNI	Indonesia	July 29, 2019	60.00%	Production of metal materials
PT Zhongtsing	Indonesia	May 4, 2021	70.00%	Production of metal materials
CNGR Hong Kong	Hong Kong	February 27, 2019	100.00%	Investment holding
Zoomwe Hong Kong	Hong Kong	March 26, 2021	100.00%	Investment holding

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MAJOR JOINT VENTURE

As of the Latest Practicable Date, the details of our major joint venture are set forth as below:

<u>Joint venture</u>	<u>Production base</u>	<u>Name of shareholders</u>	<u>Percentage of shareholding</u>
COBCO S.A.	Morocco production base	CNGR Morocco New Energy Technology (“CNGR Morocco”), a wholly-owned subsidiary of the Company	50.03%
		Next Generation Industries, an Independent Third Party	49.97%

Contractual Arrangements of the Major Joint Venture

The salient terms of COBCO S.A.’s joint venture agreement are set forth as below:

<i>Duration</i>	The joint venture agreement is effective for 40 years from September 19, 2023 and renews automatically for 10 years unless agreed otherwise.
<i>Scope of Collaboration</i>	COBCO S.A. principally engages in the development, construction, financing and operation of (i) a large-scale factory of nickel-based pCAM, (ii) a large-scale factory of LFP, (iii) a large-scale factory of recycled black mass and (iv) a Morocco-China Green Energy industrial park dedicated to the battery sector, with the goal of attracting downstream customers of the industrial chain in Morocco.
<i>Profit Sharing</i>	The distributable profits shall be allocated to shareholders in proportion to their respective shareholding in COBCO S.A.
<i>Board Compositions</i>	The board of directors shall consist of seven directors, including one chairman. CNGR Morocco shall be entitled to nominate four directors, including the chairman, and Next Generation Industries shall be entitled to nominate three directors.
<i>Voting rights</i>	Each director shall have one vote at the board meeting. Subject to applicable laws and regulations and save for certain reserved matters requiring positive votes from at least one director nominated by CNGR Morocco and at least one director nominated by Next Generation Industries, proposals submitted to the board meeting shall be adopted by a simple majority of the votes of the directors. Each share is entitled to one vote at the shareholders’ meeting. Subject to applicable laws and regulations and save for (i) extraordinary decisions requiring positive votes from a two-third majority of the votes of the shareholders and (ii) certain reserved matters additionally requiring positive votes from each of CNGR Morocco and Next Generation Industries, proposals submitted to the shareholders’ meeting shall be adopted by a simple majority of the votes of the shareholders.
<i>Defaults</i>	In the event of a default, the non-defaulting party is entitled to exercise (a) a default put option to sell all or part of its then held shares in the joint venture to the defaulting party or (b) a default call option to purchase all or part of the shares then held by the defaulting party.

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MAJOR SHARE CAPITAL CHANGES OF OUR COMPANY

Incorporation of Our Company in September 2014

In September 2014, our Company was incorporated with a registered capital of RMB50,000,000 contributed by Zhongwei Holding as to 80% and Mr. Tao Wu as to 20%.

Upon the completion of several rounds of share transfers and capital injections, as of July 26, 2019, the registered capital of our Company was RMB472,280,000, held by Zhongwei Holding as to 72.84%, by Mr. Deng as to 4.43%, by Hongxin Chengda as to 2.58% and by other 16 then shareholders of our Company as to 20.15%.

Conversion into Joint Stock Company with Limited Liability and Further Increase of Registered Capital

In November 2019, our Company was converted from a limited liability company to a joint stock company with limited liability, with Zhongwei Holding, Mr. Deng, Hongxin Chengda and other 16 then shareholders being our promoters and the registered capital of our Company being RMB472,280,000.

In December 2019, the registered capital of our Company increased from RMB472,280,000 to RMB512,680,000. The additional registered capital of RMB40,400,000 was subscribed by one existing shareholder and nine additional investors.

Listing on the Shenzhen Stock Exchange

In December 2020, our A Shares were listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300919) (the “**A-Shares Listing**”). We offered a total of 56,970,000 A Shares under the A-Shares Listing, representing approximately 10.0% of our enlarged share capital immediately following the completion of the A-Shares Listing. Immediately upon the completion of the A-Shares Listing, our registered capital was increased to RMB569,650,000, and our Controlling Shareholders directly and indirectly controlled approximately 66.20% of our Company’s then share capital.

Private Placement of A Shares in 2021

In December 2021, our Company conducted a placement of A Shares to designated investors (the “**2021 A Share Placement**”) to raise funds for the construction of our Qinzhou production base and supplement our working capital. Pursuant to the 2021 A Share Placement, 36,023,053 new A Shares were issued and the offer price was RMB138.80 per A Share, which was determined based on various factors, including, among other things, the average trading price of our A Shares of the 20 trading days prior to the pricing date and the indicative investment interest of potential investors. The 36,023,053 new A Shares were placed to 22 investors which are Independent Third Parties, raising net proceeds of approximately RMB4,953.05 million, which have been fully utilized as of the Latest Practicable Date. Immediately following the completion of the 2021 A Share Placement, our registered capital was increased to RMB605,673,053 in December 2021.

Private Placement of A Shares in 2022

In November 2022, our Company conducted a placement of A Shares to designated investors (the “**2022 A Share Placement**”) to raise funds for the construction of our high-grade nickel matte, nickel sulfate and iron phosphate projects and supplement our working capital. Pursuant to the 2022 A Share Placement, 60,966,688 new A Shares were issued and the offer price was RMB70.65 per A Share, which was determined based on various factors, including, among other things, the average trading price of our A Shares of the 20 trading days prior to the pricing date and the indicative investment interest of potential

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investors. The 60,966,688 new A Shares were placed to 18 investors which are Independent Third Parties, raising net proceeds of approximately RMB4,272.87 million, which have been fully utilized as of the Latest Practicable Date. Immediately following the completion of the 2022 A Share Placement, our registered capital was increased to RMB670,633,576 in November 2022.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Our Company did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rules 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules, as the Company has Shares apart from the H Shares for which the Listing is sought, the H Shares for which the Listing is sought that are held by the public, at the time of the Listing, must (a) represent at least 10% of the Company's total number of issued Shares (excluding treasury shares); or (b) have an expected market value of not less than HK\$3 billion.

The total number of the H Shares to be issued pursuant to the Global Offering represents approximately 10.00% of the enlarged issued share capital of the Company (assuming the Over-allotment Option is not exercised). It is expected that upon the Listing (assuming the Over-allotment Option is not exercised), based on an Offer Price of HK\$34.00 per H Share, being the low end of the indicative Offer Price range, the market value of the H Shares for which the Listing is sought that are held by the public is HK\$3,543.7 million, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Based on an Offer Price of HK\$34.00 per H Share, being the low end of the indicative Offer Price range, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE HONG KONG STOCK EXCHANGE

Our Directors confirmed that, as of the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC since our listing on the Shenzhen Stock Exchange, 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. Our PRC Legal Adviser advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any substantial administrative penalties or regulatory measures imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A share listings applicable to us in all material respects.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange in any material respects.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to advance our internationalization strategy, establish an international equity financing platform, optimize our global brand image and enhance our integrated competitive strengths. See "Business — Growth Strategies" and "Future Plans and Use of Proceeds" for more details.

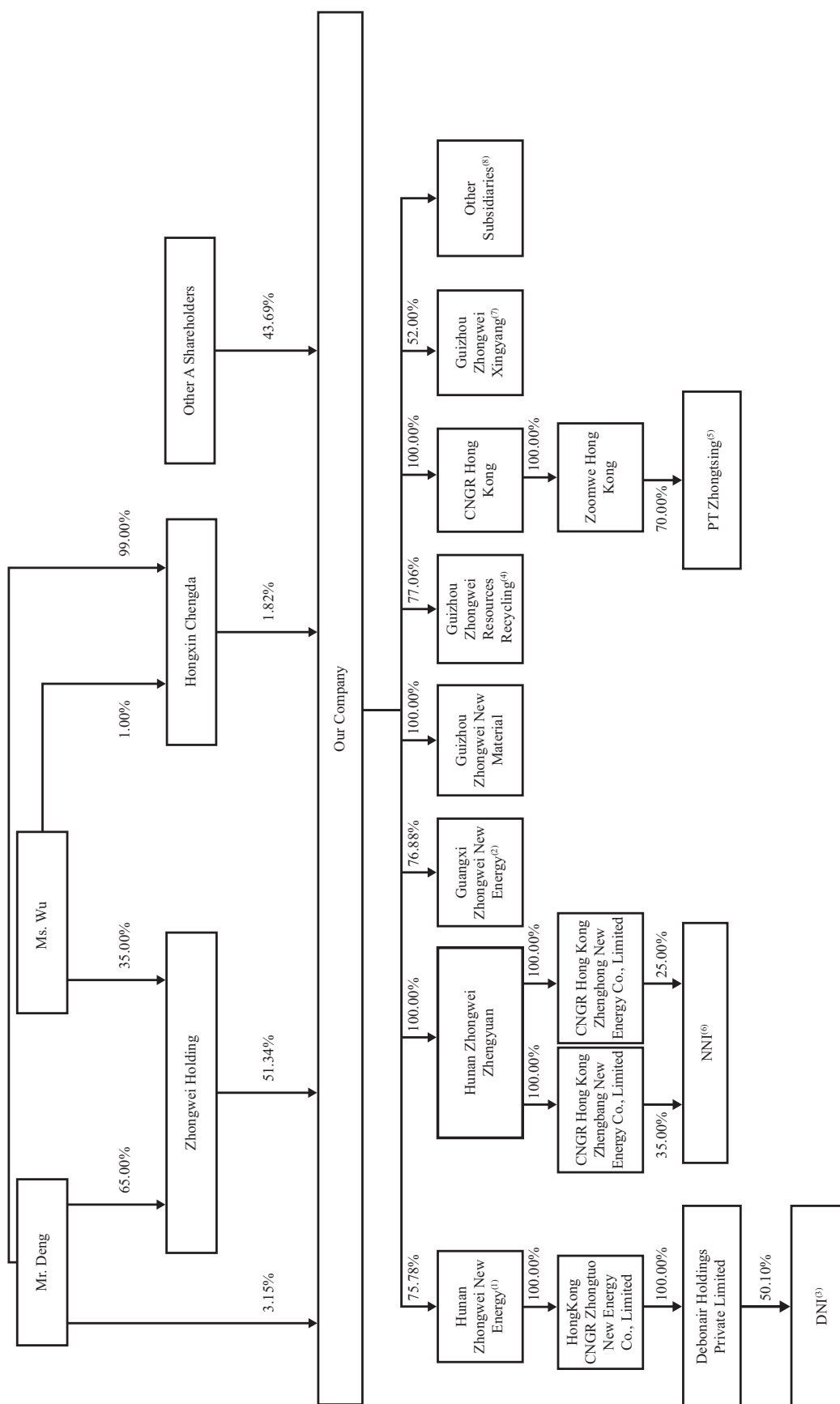
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OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately prior to the Global Offering

The following chart illustrates the simplified shareholding and corporate structure of our Group immediately prior to the completion of the Global Offering (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date):

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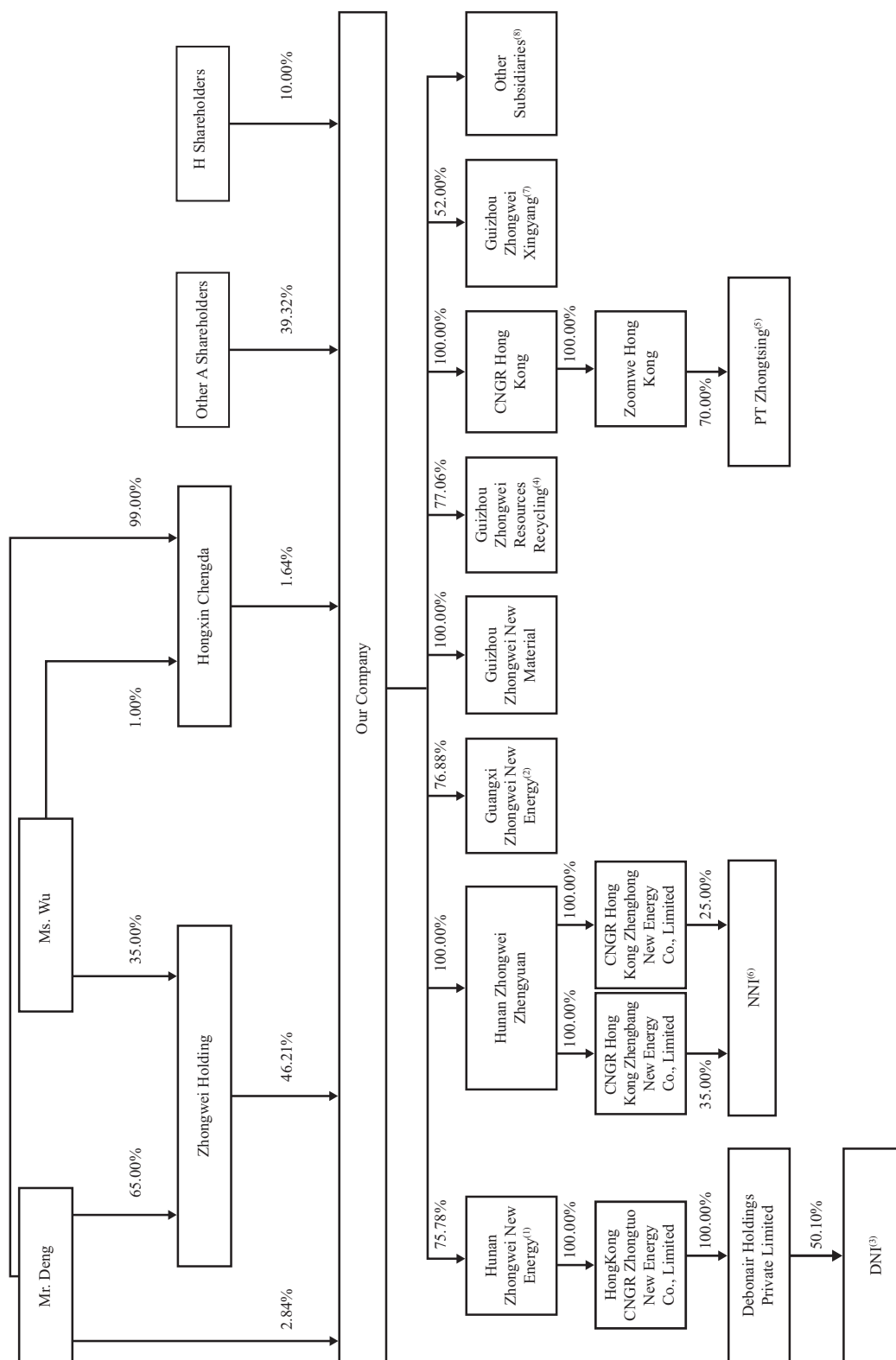
Notes:

- (1) As of the Latest Practicable Date, ICBC Financial Asset Investment Company Limited* (工銀金融資產投資有限公司) (“**ICBC Investment**”), ABC Financial Asset Investment Company Limited* (農銀金融資產投資有限公司) (“**ABC Investment**”), BOC Financial Asset Investment Company Limited* (中銀金融資產投資有限公司) (“**BOC Asset**”), BOCOM Financial Asset Investment Company Limited* (交銀金融資產投資有限公司) (“**BOCOM Investment**”), China Orient Asset Management Co., Ltd.* (中國東方資產管理股份有限公司) (“**Orient Asset**”), China Industrial International Trust Limited* (興業國際信託有限公司) (“**China Industrial Trust**”), Wuhu Xinxiang Equity Investment Company Limited* (蕪湖信湘股權投資有限公司) (“**Xinxiang Investment**”), China Great Wall Asset Management Co., Ltd.* (中國長城資產管理股份有限公司) (“**Great Wall Asset**”) and Changsha Gongrong Innovation No.1 Equity Investment Fund Partnership Enterprise (L.P.)* (長沙工融創新一號股權投資基金合夥企業 (有限合夥)) (“**Changsha Gongrong**”) held 5.08%, 3.79%, 3.79%, 3.79%, 2.90%, 1.74%, 1.60%, 1.02% and 0.51% equity interest in Hunan Zhongwei New Energy, respectively. As of the same date, each of ICBC Investment, ABC Investment, BOC Asset, BOCOM Investment, Orient Asset, China Industrial Trust, Great Wall Asset and Xinxiang Investment was an Independent Third Party. Changsha Gongrong was owned as to 40.00%, 28.57% and 28.57% by the Company, ICBC Investment and Changsha Changtong Blue Moon Valley Emerging Industry Investment Fund Partnership Enterprise (L.P.)* (長沙長投藍月穀新興產業投資基金合夥企業 (有限合夥)) (“**Changsha Changtong**”), respectively, as its limited partners. The remaining partnership interest in Changsha Gongrong was held by two general partners, ICBC Capital Management Co., Ltd.* (工銀資本管理有限公司) and Changsha Changcai Private Equity Fund Management Co., Ltd.* (長沙市長財私募基金管理有限公司), each holding 1.43% thereof and being an Independent Third Party.
- (2) As of the Latest Practicable Date, ABC Investment, ICBC Investment, CCB Financial Asset Investment Company Limited* (建信金融資產投資有限公司) (“**CCB Investment**”), Orient Asset and BOC Assets held 5.99%, 4.28%, 4.28%, 4.28% and 4.28% equity interest in Guangxi Zhongwei New Energy, each of which is an Independent Third Party.
- (3) As of the Latest Practicable Date, Debonair Nickel Private Limited, an Independent Third Party other than its equity interest in DNI, held 49.9% equity interest in DNI.
- (4) As of the Latest Practicable Date, Guizhou Zhongwei Resources Recycling was owned as to 55.45% by the Company, 27.47% by Guizhou Zhongwei New Energy Technology Company Limited* (貴州中偉新能源科技有限公司) (“**Guizhou Zhongwei New Energy**”), 11.58% by Guizhou Ecological and Environmental Protection Development Equity Investment Fund Partnership (L.P.)* (貴州省生態環保發展股權投資基金合夥企業 (有限合夥)), being an Independent Third Party, and 5.49% by National Green Development Fund Co., Ltd.* (國家綠色發展基金股份有限公司), being an Independent Third Party, respectively. Guizhou Zhongwei New Energy was owned as to 68.00% by the Company and 32.00% by Guizhou New Industrialization Development Equity Investment Fund Partnership (L.P.)* (貴州省新型工業化發展股權投資基金合夥企業 (有限合夥)), being an Independent Third Party.
- (5) As of the Latest Practicable Date, Rigqueza International Pte. Ltd., an Independent Third Party, held 30.00% equity interest in PT Zhongtsing.
- (6) As of the Latest Practicable Date, Tongren Zhongwei Hongling No. 1 Enterprise Management Consulting Partnership (L.P.)* (銅仁中偉弘領一號企業管理諮詢合夥企業(有限合夥)), a limited partnership owned as to 50.00% by Mr. Liu Xingguo, an executive Director of our Company, and as to 50.00% by Mr. Deng Chaobo, a vice president of our Company, respectively, and Jiangsu Delong Nickel Industry Company Limited* (江蘇德龍鎳業有限公司), an Independent Third Party other than its equity interest in NNI, held 7.00% and 33.00% equity interest in NNI, respectively.
- (7) As of the Latest Practicable Date, Guizhou New Industrialization Development Equity Investment Fund Partnership (L.P.)* (貴州省新型工業化發展股權投資基金合夥企業 (有限合夥)), an Independent Third Party, held 48.00% equity interest in Guizhou Zhongwei Xingyang.
- (8) Other subsidiaries include over 90 subsidiaries established in various jurisdictions as of the Latest Practicable Date.

Shareholding and Corporate Structure Immediately following the Global Offering

The following chart illustrates the simplified shareholding and corporate structure of our Group immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date except for the Global Offering):

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Notes (1) to (8): See “—Shareholding and Corporate Structure Immediately prior to the Global Offering” above for details.