
SUMMARY

This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who we are

We are a new energy materials company. We are primarily engaged in the research and development (R&D), production and sales of new energy battery materials with a focus on cathode active material precursors (pCAM), and new energy metal products. We are the global leader of nickel-based and cobalt-based cathode active material precursors (pCAM) for lithium-ion batteries, ranking the first by shipment volume for five consecutive years since 2020 with market share of 20.3% and 28.0% in terms of nickel-based pCAM and cobalt-based pCAM in 2024, respectively⁽¹⁾. We ranked the first globally in 2024 in terms of sales value for all pCAM products, with a market share of 21.8%. Our new energy battery materials are essential to lithium-ion batteries that are widely used in EV, ESS, consumer electronics, as well as applications with higher power demands and therefore strong commercial potentials, such as AI-enabled consumer electronic devices, humanoid robotics and low-altitude aerial vehicles⁽²⁾.

Starting from R&D for new energy battery materials, we have since established an integrated operation spanning from upstream new energy metals mining, smelting and refining to new energy materials production, and to recycling. Our integrated supply chain enables us to sell new energy metal products, which mainly include nickel intermediates and electrolytic nickel, as well as certain by-products of the nickel extraction process such as cobalt and copper. We have built a global presence in terms of customer base, supply chain and manufacturing sites, which propels our growth and future development. By production volume, we ranked the sixth in the global nickel product market in 2024, with a market share of 3.7%⁽³⁾.

Riding on the back of our technological know-how and vertically integrated operation globally, we have achieved global leadership in the new energy battery materials industry.

Our business and products

Our vertically integrated business model enables us to deliver a comprehensive product matrix that includes nickel-based, cobalt-based, phosphorus-based, sodium-based and other innovative new energy

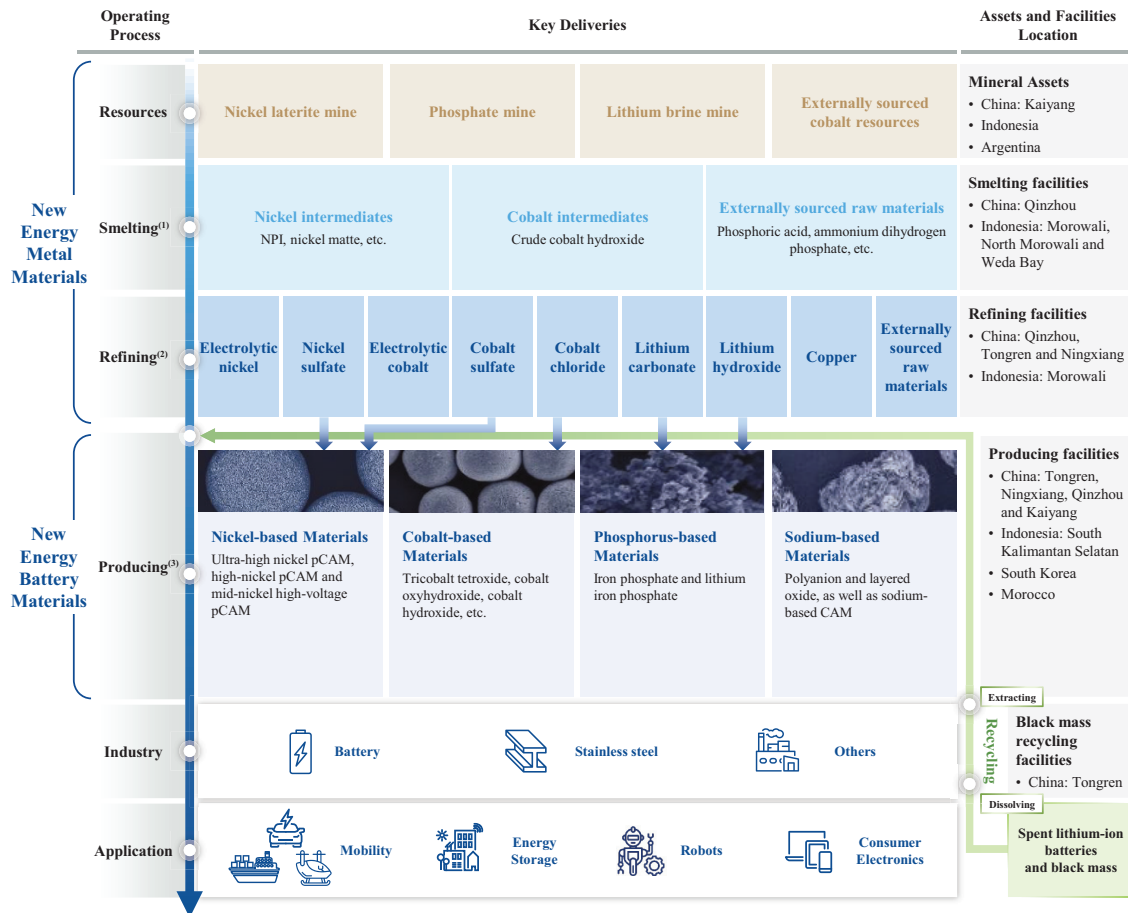
Notes:

- (1) Nickel-based pCAM, phosphorus-based pCAM and cobalt-based pCAM are the mainstream pCAM. In terms of sales value, the nickel-based pCAM, phosphorus-based pCAM and cobalt-based pCAM accounted for 75.2%, 23.1% and 1.2% of the total pCAM market in 2024, together of which accounted for 99.6% of the overall pCAM market in terms of sales value in 2024.
- (2) According to the Frost & Sullivan, typically, more than 96.7% of the nickel-based materials are used in EV and low-altitude aerial vehicles, almost all of the cobalt-based materials are used in consumer electronics, and more than 97.5% of the phosphorus-based materials are used in EV and ESS.
- (3) According to the Frost & Sullivan, among the major kinds of new energy metal materials, the production volume of nickel, cobalt, lithium and copper was 3.5 million metal tons, 0.3 million metal tons, 0.2 million metal tons and 23.0 million metal tons globally in 2024, respectively.

By sales value, the market size of pCAM of RMB87.7 billion and market size of new energy metals of RMB2,455.8 billion accounted for approximately 3.2% and 90.6% of the global market size of new energy materials in 2024, respectively, which consisted of (i) new energy battery materials of RMB256.0 billion, including pCAM, CAM, anodes, electrolyte fluid and separators, and (ii) the new energy metals of RMB2,455.8 billion, including lithium, nickel, cobalt and copper.

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battery materials, along with new energy metal products. During the Track Record Period, substantially all of our new energy battery materials are pCAM, with all nickel-based and cobalt-based materials being pCAM. To better serve our customers and address evolving market demand, we launched phosphorus-based CAM in the second half of 2024. The chart below illustrates our vertically integrated business model and product matrix:



Note:

- (1) The smelting process typically takes two to three days for nickel intermediates. Delivered intermediates include NPI (with a nickel content typically below 15%), low-grade nickel matte (with a nickel content typically ranging between 10% to 30%), high-grade nickel matte (with a nickel content typically exceeding 70%), etc.
- (2) The refining process typically takes 11 to 13 days to produce electrolytic nickel (a high-purity form of nickel), nickel sulfate (with a nickel content typically around 23%), and cobalt sulfate (with cobalt content typically around 20.5%), etc.
- (3) The producing process typically takes 10 to 25 days for nickel-based materials, seven to 18 days for cobalt-based materials, around 1 day for phosphorus-based materials, and three to six days for sodium-based materials. Nickel-based materials include ultra-high nickel pCAM (with nickel content of at least 90 mol%), high-nickel pCAM (with nickel content of at least 80 mol%), and mid-nickel pCAM (with nickel content of at least 50 mol%). Cobalt-based materials include tricobalt tetroxide (with cobalt content ranging between 70% to 75%).

Leveraging our expertise in the market, we engaged in metals trading to better inform our core business and broaden our connections and reach in the industry since 2022. In our metals trading operations, we procure finished metal commodities, primarily electrolytic nickel, and subsequently sell them to buyers in the market to capture the price differentials.

Since 2017, we from time to time resold externally sourced nickel raw materials, such as nickel matte, to maintain an optimal inventory level in response to the raw material price fluctuations. The nickel raw

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materials were procured externally for the initial purpose of producing our own products, as compared with the finished metal commodities under our metals trading business, which were held for future trading purpose only.

Moreover, benefiting from our strong R&D and production capabilities, we also provide contract manufacturing services to our customers from time to time since 2017. Customers who have access to upstream raw material resources may choose to engage us for contract manufacturing services for our advanced technology, quality of products and large-scale production capacity of new energy battery materials, rather than purchasing new energy battery materials directly from us, when it more cost-effective for them. Under such arrangement, the customers will be responsible to provide relevant raw materials, and we will manufacture the relevant new energy battery materials according to the specifications required by the customers.

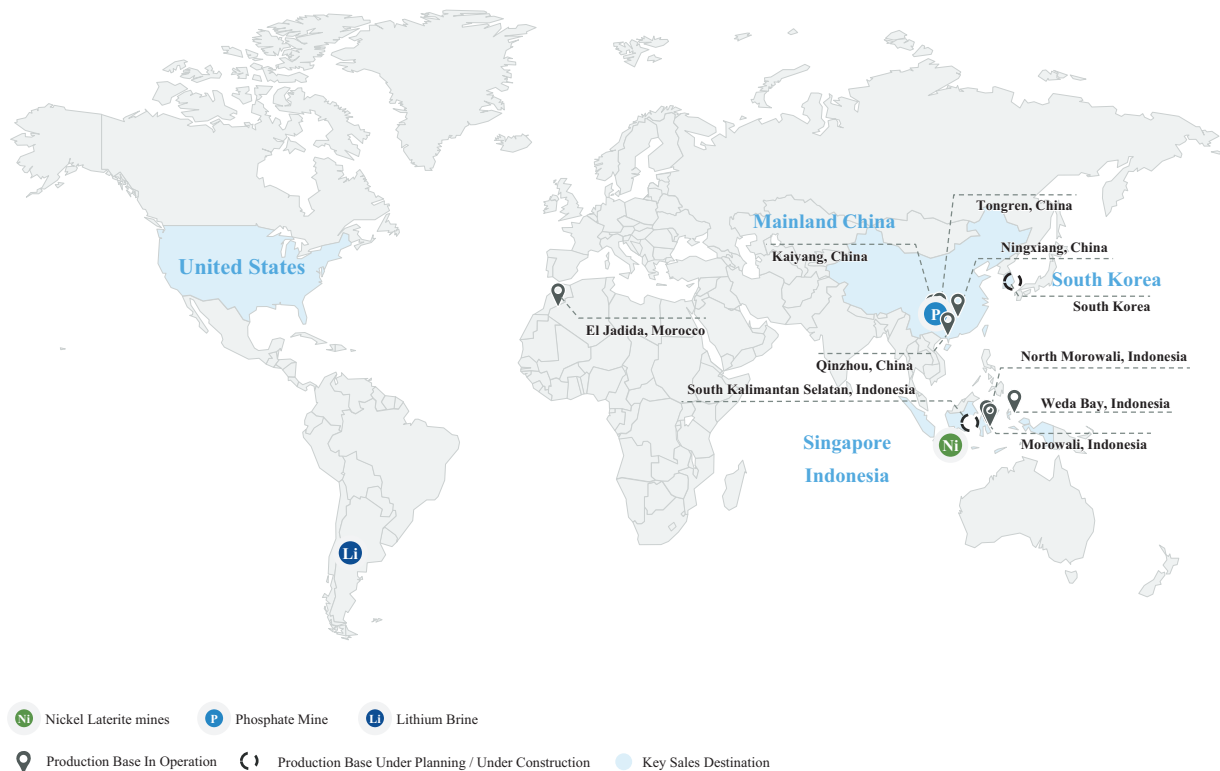
Our R&D achievements

We have established an integrated R&D platform that spans the entire production process and product life cycle from mineral metallurgy to new energy materials research and mass-production process development, to manufacturing equipment design and optimization, product testing and assessment, and to recycling. This enables us to achieve rapid product iteration. Since our inception, we have been continuously developing new products tailored to customer needs and adopting advanced technologies to enhance efficiency. Our breakthroughs include industry-first ultra-high nickel pCAM, 4.55V high voltage cobalt-based pCAM, and low-cost NFPP pCAM; experimental titanium-doped LFP pCAM; our pioneer position as the first in the world to employ eco-friendly OESBF pyrometallurgical technique to smelt lateritic nickel ores; and our centrifugal extraction technology that has transformed the nickel and cobalt hydrometallurgy. See “Business — Strength — Commitment in R&D and continuous technology achievements to enable delivery of high-quality, cost-efficient products and driving new applications.”

Our global footprint

We have established a global presence in terms of customer base, supply chain and manufacturing sites, which propels our growth and future development. In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, revenue from our direct customers outside of China accounted for 33.7%, 41.1%, 44.5%, 45.4% and 50.6% of our total revenue, demonstrating high recognition of our products worldwide. We have also built a global supply chain with access to high-quality and cost-effective resources, including nickel, phosphate and lithium resources, allowing us to secure a stable and cost-efficient supply of raw materials consistently and enhance our business resilience. All our production bases are strategically located — either close to upstream resources or positioned to serve demands in key end markets, granting us the maximum flexibility. We position our production bases to capitalize on tremendous global demand across Asia, Europe and North America, while maintaining the agility to navigate market complexities. Specifically, we established production bases in China, the world’s largest producer of new energy batteries, to remain close to a number of key customers. In Indonesia, our production bases serve as a regional hub for South and Southeast Asia, leveraging the country’s abundant, high-quality and cost-effective nickel resources as well as its well-established nickel value chain. In Morocco, our production base operates as a strategic hub for the European and American markets, supported by abundant phosphate and clean energy resources and an established phosphate industry value chain. Finally, our production base in South Korea, the second-largest producer of new energy batteries in terms of shipment volume in 2024, positions us near key customers in the region. As of June 30, 2025, we had four production bases in China, three production bases in Indonesia, one production base in Morocco and one production base under planning in each of Indonesia and South Korea. We also form strategic partnerships with leading local industry players in our global expansion.

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Our high-quality customers

We have a high-quality customer base globally covering industry leading players in new energy materials, battery, automotive and consumer electronics industries. We supply leading cathode companies directly and act either as a direct supplier or an indirect supplier (by providing products to the designated cathode companies) to world-renowned battery companies and top automotive brands. Notably, we supplied to top 10 global EV battery manufacturers by shipments in 2024. We have forged strong and long-term relationship with these customers.

Our sustainable development

We actively promote the United Nations Sustainable Development Goals. As a member of the United Nations Global Compact (UNGC) since May 2023, we support UN's Sustainable Development Goals (SDGs) and adhere to the ten principles of the UNGC. We have established a comprehensive sustainable development system and maintained regular communication with our stakeholders regarding our ESG governance, strategies, actions, and achievement of objectives.

We are dedicated to building a responsible supply chain that encompasses best practices related to labor, health and safety, environment, compliance management systems, business ethics, and carbon emission performance. Notably, we are actively promoting the use of green energy in our production process. In addition, our OESBF process effectively enhances multi-metal recovery while significantly reducing coal consumption and, lowering carbon emissions by approximately 10%, compared to RKEF method. We have also built facilities to recycle valuable metals from black mass, which in turn is recycled from spent lithium-ion batteries. Our recycling initiatives reduce waste, and minimize the environmental impact associated with traditional mining and smelting.

Due to our strong ESG performance in 2024, our MSCI ESG rating was upgraded to AA from BBB in 2025.

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PRODUCTION

Our production is integrated across the new energy materials value chain from upstream new energy metals mining, smelting and refining to new energy materials production and to recycling, with new energy battery materials at our core. We began as a pCAM specialist and have since expanded our product portfolio while building supply chain capabilities in upstream mineral resources, smelting and refining, and further in downstream recycling, to support and secure our production of new energy battery materials. See “Business — Production.”

New energy battery materials production

We produce our new energy battery materials at our production bases in China and overseas. As of the Latest Practicable Date, we operated five production bases capable of manufacturing these materials, including four in China that covered all categories of our new energy battery materials, and one in Morocco focused on nickel-based pCAM. Depending on the types of new energy battery materials produced, the raw materials for new energy battery materials include nickel—, cobalt—, manganese—, sodium— and ferrous—based metal compounds and phosphoric acid. See “Business—Production—Production Bases”. We also plan to build a production base in Indonesia and another in South Korea, both dedicated to nickel-based pCAM production.

Mineral resources, smelting and refining

We strategically invested in nickel laterite, phosphate and lithium brine resources. As of the Latest Practicable Date, we held 51.0%, 48.8% and 46.7% equity interests in three nickel laterite mines in Indonesia, respectively, all of which granted us pre-emptive rights to the ores, enabling us to direct the majority of these ores to our local smelting facilities at market price. As of the Latest Practicable Date, we held 100.0% equity interest in a phosphate mine in Kaiyang, China, which was under construction. We entered into a capital increase agreement with a state-owned limited partnership in June 2025 for the Kaiyang phosphate mine. Upon completion of the capital increase, the state-owned partnership will hold approximately 20.6% equity interest in the Kaiyang phosphate mine, and we will hold the remaining 79.4% equity interest. The change of industrial and commercial registration in connection with this capital increase is expected to be completed by December 31, 2025. As of the same date, we also held 100.0% interest in a lithium brine mine and 49.9% equity interest in another lithium brine mine with the remaining 50.1% equity interest to be transferred to us by the end of January 2026 in Argentina, both of which remained undeveloped. See “Business - Mineral Resources,” and “Waiver From Strict Compliance With the Listing Rules - Acquisition after the Track Record Period.”

During the Track Record Period and up to the Latest Practicable Date, two of our nickel laterite mines were under operation, of which we held 48.8% and 46.7% equity interests respectively. We have secured pre-emptive rights for lateritic nickel ores produced at both of the nickel laterite mines under operation. The table below sets forth the allocation of nickel lateritic ores between the us and other customers of the those two nickel laterite mines.

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
Amount of nickel lateritic ores allocated to the Group				
Nickel lateritic mine 2	—	—	513.2	535.4
Nickel lateritic mine 3	—	—	87.6	345.5
Total	—	—	600.8	880.9
Amount of nickel lateritic ores allocated to its other customers				
Nickel lateritic mine 2	—	—	—	—
Nickel lateritic mine 3	1,078.5	1,869.2	2,130.0	1,774.5
Total	1,078.5	1,869.2	2,130.0	1,774.5

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We determine the procurement amount of nickel lateritic ores through a comprehensive evaluation of several factors, including ore grade, suitability for specific production processes, and overall economic efficiency. During the Track Record Period, we procured all lateritic nickel ores produced at nickel lateritic mine 2, as we enjoy the pre-emptive rights for the lateritic nickel ores produced at this mine, and procured all lateritic nickel ores produced to satisfy our production needs. We only procured a small portion of nickel lateritic ores produced at nickel lateritic mine 3 for the following considerations: (i) the ore procured from this mine is mainly supplied to the Morowali production base. Given Indonesia's status as an archipelago, cross-island transportation of ore involves significant logistics expenses, making it uneconomical to supply ore from this mine to other production bases; and (ii) the ore currently being extracted was from the surface layer in this nickel laterite mine, most of which is more suitable for other production processes than those adopted in Morowali production base.

Save for the above two nickel laterite mines, the remaining mines were not under operation during the Track Record Period and up to the Latest Practicable Date. Specifically, our nickel laterite mine 1 is expected to commence extraction in the second half of 2025, our two lithium brine mines are expected to launch the first production line in 2030, and our phosphate mine is expected to launch trial production in 2028.

Our smelting facilities are located in our three production bases in Indonesia, close to our nickel laterite resources, and one production base in China. We employ pyrometallurgical techniques, including the OESBF and RKEF processes, to produce nickel intermediates, including NPI, low-grade and high-grade nickel matte, from lateritic nickel ores sourced locally. We also extract cobalt, copper and precious metals as by-products through the smelting process.

Our refining facilities, located in our production bases in both China and Indonesia, are equipped with flexible production lines capable of processing nickel and cobalt intermediates into high-quality raw materials for new energy battery materials or into high-purity metals such as electrolytic nickel, cobalt and copper.

Black mass recycling

As part of our integrated operations, we have built facilities in our domestic production bases to recover valuable metals such as nickel, cobalt and lithium from mixed metal concentrates, known as "black mass," a composite material rich in nickel, cobalt, lithium and other metals, recycled from spent lithium-ion batteries. Black mass recycling not only serves as a cost-effective source of these essential materials for our new energy battery materials production, while reducing waste and minimizing the environmental impact associated with traditional mining and smelting, paving the way for our commitment to a greener, more sustainable future. We typically source spent lithium-ion batteries and black mass from EV manufacturers and other new energy materials suppliers. During the Track Record Period, the recycled materials from black mass were used as raw materials to produce our new energy battery materials. We are among the few in China accredited by MIIT for both sorting spent power batteries, and dismantling spent power batteries and refining black mass. See "Business — Production — Black Mass Recycling."

Product pricing

We generally determine our pricing for new energy battery materials based on the costs of metal materials as well as the costs of development and manufacturing. For example, high-nickel products are priced higher than mid-nickel products. Since metal prices constitute a significant portion of our overall product cost, our pricing strategy is closely tied to how we source and price metal materials.

For international customers, including the customers in Hong Kong, we typically refer the monthly average LME nickel price and MB cobalt price as the pricing benchmark, and for customers in China, we use the SMM and SHFE prices. The selection of the market platforms used as the pricing reference is

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primarily determined by the location of our customers. The price trends across these major exchanges are largely consistent, with no significant discrepancies observed among them. After determining the benchmark metal price, we will apply a certain discount rate to it to price our products. While the discount rates for different products are primarily driven by industry factors, we still actively negotiate with our customers to obtain a more favorable discount rate within the industry norm. Typically, higher discount rates are applied when determining the selling prices for customers who maintain long-term business relationships with us and have substantial volume requirements. In some cases, when customers directly supply the metal materials, our product pricing is primarily based on the costs of development and manufacturing.

The pricing of our new energy metals is referenced to benchmark prices published by the LME/MB or SMM/SHFE, depending on the markets in which we sell our products.

As a result of such pricing mechanism, fluctuations in prices of metal and other major raw material prices impact our revenue from sales of new energy battery materials and new energy metals. The prices of these metals and key raw materials have historically experienced significant fluctuation. The table below summarizes the historical and estimated global price trends for our major new energy battery materials and their major raw materials. See “Industry Overview – New Energy Battery pCAM Materials Prices and Costs.”

	Average Price (RMB'000 per ton)													
	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Nickel-based pCAM	107.3	126.2	88.7	78.7	117.7	127.5	104.5	68.6	66.7	64.8	63.0	61.2	59.5	57.9
Cobalt-based pCAM	333.0	409.8	197.8	194.9	302.8	312.7	160.8	103.3	172.6	153.4	161.8	172.3	183.7	191.5
Phosphorus-based pCAM	15.8	14.8	10.9	10.6	14.3	21.0	13.3	9.2	11.1	12.6	14.4	15.8	17.3	18.8
Phosphorus-based CAM	95.0	65.6	50.3	37.3	60.1	157.8	91.6	38.9	37.5	36.1	34.8	33.6	32.4	31.2
Nickel	70.3	86.9	96.0	95.5	119.3	175.5	152.2	120.6	105.9	99.4	100.6	102.8	105.5	107.6
Cobalt	428.1	523.4	239.8	237.7	345.6	457.8	246.1	193.2	241.6	217.4	206.5	201.4	198.8	197.6
Concentrated phosphoric acid	5.4	5.2	5.0	5.4	8.9	10.4	7.8	7.1	7.5	8.0	8.5	8.8	9.1	9.4

COMPETITIVE STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- Leading global pCAM company that benefits from high market share and growth opportunities driven by energy transition
- Commitment in R&D and continuous technology achievements to enable delivery of high-quality, cost-efficient products and drive new applications
- Established international presence and outstanding globalization capabilities to capitalize on tremendous global demand while navigating market complexities
- Trusted partners of global top-tier high-quality customers with strong and long-standing relationship
- Flexible, vertically-integrated operations to ensure a secure, green supply chain and maximize value

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- Advanced engineering and manufacturing capabilities to achieve optimal operational efficiency and superior product quality
- Experienced and entrepreneurial management team with strong execution capabilities

See “Business – Strengths.”

GROWTH STRATEGIES

We will continue to pursue the following strategies to drive further growth:

- Leverage technologies to address the emergent demands fueled by industry tailwinds
- Continue to enhance global footprint and strengthen stable supply of upstream resources
- Capitalize on our expertise in industrial integration to strengthen our supply chain and expand our industrial ecosystem
- Promote digitalization and intelligent technologies across all aspects of operation

See “Business – Growth Strategies.”

CUSTOMERS AND SUPPLIERS

Our direct and indirect customers are mainly leading companies in the global new energy materials, battery, automotive and consumer electronics industries. In 2022, 2023 and 2024 and the six months ended June 30, 2025, revenue from our five largest customers in each year during the Track Record Period amounted to RMB17,589.7 million, RMB14,984.2 million, RMB11,734.9 million and RMB7,245.9 million respectively, accounting for 58.0%, 43.7%, 29.2% and 34.0% of our total revenue in the respective periods. In 2022, 2023 and 2024 and the six months ended June 30, 2025, revenue from our largest customer in each year during the Track Record Period amounted to RMB5,513.0 million, RMB4,524.5 million, RMB3,548.0 million and RMB2,026.2 million, respectively, accounting for 18.2%, 13.2%, 8.8% and 9.5% of our total revenue in the respective periods.

Our suppliers are primarily raw materials, equipment, and engineering service providers. In 2022, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB14,662.7 million, RMB13,734.0 million, RMB10,454.1 million and RMB5,116.3 million, accounting for 36.5%, 36.6%, 24.9% and 25.7% of our total purchases in the respective periods. In 2022, 2023 and 2024 and the six months ended June 30, 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB5,065.5 million, RMB6,076.5 million, RMB2,713.2 million and RMB1,455.9 million, accounting for 12.6%, 16.2%, 6.5% and 7.3% of our total purchases in the respective periods.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers or suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

COMPETITION

We operate our core business in the new energy battery materials market, which is relatively concentrated with significant barriers to entry. These entry barriers include robust R&D capabilities, strong customer recognition with lengthy certification process, access to key mineral resources and substantial capital investment. Competition among the leading players in the market remains intense.

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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 compete with other manufacturers mainly based on our ability to optimize vertically integrated global operations, strengthen customer relationships, and continuously advance technology achievements.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Results of operations

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>									
	<i>(Unaudited)</i>									
Revenue	30,343,742	100.0%	34,273,223	100.0%	40,222,890	100.0%	20,086,186	100.0%	21,322,547	100.0%
Cost of sales . . .	(26,963,139)	(88.9)%	(29,696,767)	(86.6)%	(35,380,773)	(88.0)%	(17,517,858)	(87.2)%	(18,780,024)	(88.1)%
Gross profit . . .	3,380,603	11.1%	4,576,456	13.4%	4,842,117	12.0%	2,568,328	12.8%	2,542,523	11.9%
Other income and gains . . .	636,747	2.1%	901,809	2.6%	733,599	1.8%	368,718	1.8%	267,119	1.3%
Selling and marketing expenses . . .	(56,277)	(0.2)%	(86,695)	(0.3)%	(111,487)	(0.3)%	(50,134)	(0.2)%	(48,043)	(0.2)%
Administrative expenses . . .	(686,513)	(2.3)%	(999,593)	(2.9)%	(1,156,896)	(2.9)%	(570,950)	(2.8)%	(636,726)	(3.0)%
Research and development costs	(929,164)	(3.1)%	(1,055,686)	(3.1)%	(1,109,313)	(2.8)%	(450,535)	(2.2)%	(544,764)	(2.6)%
Other expenses . . .	(112,843)	(0.4)%	(98,221)	(0.3)%	(188,393)	(0.5)%	(68,386)	(0.3)%	(238,587)	(1.1)%
Finance costs	(538,914)	(1.8)%	(841,226)	(2.5)%	(1,037,366)	(2.6)%	(495,398)	(2.5)%	(521,081)	(2.4)%
Share of profits and losses of:										
Joint ventures	133	0.0%	(17,951)	(0.1)%	39,701	0.1%	19,836	0.1%	3,673	0.0%
Associates	(782)	0.0%	2,006	0.0%	10,582	0.0%	(12,133)	(0.1)%	2,939	0.0%
Profit before tax	1,692,990	5.6%	2,380,899	6.9%	2,022,544	5.0%	1,309,346	6.5%	827,053	3.9%
Income tax expense	(153,564)	(0.5)%	(280,410)	(0.8)%	(234,789)	(0.6)%	(153,514)	(0.8)%	(121,403)	(0.6)%
Profit for the year	1,539,426	5.1%	2,100,489	6.1%	1,787,755	4.4%	1,155,832	5.8%	705,650	3.3%
Profit attributable to:										
Owners of the parent	1,548,644	5.1%	1,947,559	5.7%	1,467,224	3.6%	863,235	4.3%	735,192	3.4%
Non-controlling interests	(9,218)	0.0%	152,930	0.4%	320,531	0.8%	292,597	1.5%	(29,542)	(0.1)%

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Non-IFRS measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use non-IFRS measures, including EBITDA (Non-IFRS measure) and EBITDA margin (Non-IFRS measure), as additional financial metrics, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of EBITDA (Non-IFRS measure) and EBITDA margin (Non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define EBITDA (Non-IFRS measure) as profit for the year adjusted for interest income, income tax expense, finance costs and depreciation and amortization. We define EBITDA margin (Non-IFRS measure) as EBITDA (Non-IFRS measure) as a percentage of our total revenue.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in RMB thousands, except for percentages)</i>				
	<i>(Unaudited)</i>				
Profit for the year	1,539,426	2,100,489	1,787,755	1,155,832	705,650
adjusted for:					
Interest income	(89,933)	(218,289)	(221,627)	(104,159)	(79,019)
Income tax expense	153,564	280,410	234,789	153,514	121,403
Finance costs	538,914	841,226	1,037,366	495,398	521,081
Depreciation and amortization	536,013	899,844	1,444,696	642,185	1,018,875
EBITDA (Non-IFRS measure)	2,677,984	3,903,680	4,282,979	2,342,770	2,287,990
<i>EBITDA margin (Non-IFRS measure)</i>	<i>8.8%</i>	<i>11.4%</i>	<i>10.6%</i>	<i>11.7%</i>	<i>10.7%</i>

Revenue

During the Track Record Period, we primarily generated revenue from (i) the sales of new energy battery materials, including four main categories based on the primary metal or chemical element, namely, nickel-based materials, cobalt-based materials, phosphorus-based materials and other innovative materials, (ii) sales of new energy metal products, substantially all of which were nickel products consisting of nickel intermediates and electrolytic nickel, with the remainder comprising cobalt and copper products, (iii) metals trading, (iv) resales of raw materials, and (v) others, which mainly include contract manufacturing services. See “Business – Our Business and Products.”

SUMMARY

By products

The table below sets forth the breakdown of our revenue by products for the periods indicated.

		Year Ended December 31,						Six Months Ended June 30,			
		2022		2023		2024		2024		2025	
		(in RMB thousands, except for percentages)									
		(unaudited)									
New energy battery materials											
Nickel-based materials	24,627,656	81.2%	21,733,466	63.4%	16,163,302	40.2%	8,830,575	44.0%	7,490,866	35.1%	
Cobalt-based materials	3,194,732	10.5%	2,957,722	8.6%	2,244,581	5.6%	1,078,274	5.4%	1,451,943	6.8%	
Phosphorus-based materials	661	0.0%	327,722	1.0%	679,644	1.7%	246,692	1.2%	670,075	3.1%	
pCAM	661	0.0%	327,722	1.0%	679,610	1.7%	246,692	1.2%	669,947	3.1%	
CAM	—	—	—	—	34	0.0%	—	0.0%	128	0.0%	
Other innovative materials ⁽¹⁾ . . .	—	—	—	—	9,869	0.0%	2,922	0.0%	19,368	0.1%	
Sub-total	27,823,049	91.7%	25,018,910	73.0%	19,097,396	47.5%	10,158,463	50.6%	9,632,252	45.2%	
New energy metal products											
Metals trading	9,881	0.0%	749,037	2.2%	4,355,858	10.8%	1,969,857	9.8%	546,540	2.6%	
Resales of raw materials											
Others ⁽²⁾	1,888,469	6.2%	4,011,372	11.7%	1,829,391	4.5%	836,199	4.2%	1,249,179	5.9%	
	622,342	2.1%	1,105,889	3.2%	1,457,142	3.6%	682,493	3.4%	621,681	2.9%	
Total	30,343,742	100.0%	34,273,223	100.0%	40,222,890	100.0%	20,086,186	100.0%	21,322,547	100.0%	

Note:

- (1) Other innovative materials mainly include sodium-based and manganese-based pCAM.
- (2) Others mainly include revenue from contract manufacturing services.

The table below sets forth the sales volume and average selling price of the main categories of our new energy battery materials and the nickel products for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume	Average selling price ⁽²⁾	Sales volume	Average selling price ⁽²⁾	Sales volume	Average selling price ⁽²⁾	Sales volume	Average selling price ⁽²⁾
	Ton'000	RMB'000/ton	Ton'000	RMB'000/ton	Ton'000	RMB'000/ton	Ton'000	RMB'000/ton	Ton'000	RMB'000/ton
New energy battery materials										
Nickel-based materials	200.0	123.1	211.3	102.9	194.9	82.9	101.2	87.3	97.8	76.6
Cobalt-based materials	9.7	327.9	19.0	155.8	21.1	106.6	9.5	113.7	11.7	124.3
Phosphorus-based materials	0.1	14.3	31.9	10.3	77.9	8.7	28.2	8.8	73.0	9.2
New energy metal products										
Nickel products ⁽³⁾	—	—	30.6	109.8	124.6	102.2	59.2	104.0	89.8	93.9
Metals trading										
Electrolytic nickel	0.1	166.5	2.9	124.2	26.4	118.2	14.8	122.6	1.9	112.7

Note:

- (1) Excluding the volume from our contract manufacturing services, revenue from which is recorded under “others” in our revenue.
- (2) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year, which represented the average price at which our products were sold to our customers.
- (3) The sales volume of nickel products was calculated based on the metal ton of nickel, representing the actual amount of pure nickel metal contained in our nickel products, mainly including nickel intermediates, such as NPI, low-grade nickel matte, high grade nickel matte, and other nickel products, such as electrolytic nickel.

SUMMARY

During the Track Record Period, we generated a majority of our revenue from the sales of new energy battery materials and new energy metal products, which accounted for over 80% of our total revenue in each period. Our revenue from sales of nickel-based materials decreased from RMB24,627.7 million in 2022 to RMB16,163.3 million in 2024, and decreased from RMB8,830.6 million in the six months ended June 30, 2024 to RMB7,490.9 million in the six months ended June 30, 2025, primarily due to the decrease in the selling prices of our nickel-based materials, which was in line with the downward industry trend. Our revenue from sales of cobalt-based materials decreased from RMB3,194.7 million in 2022 to RMB2,244.6 million in 2024 primarily due to the decrease in selling prices as affected by the decrease in market price of cobalt. Our revenue from sales of cobalt-based materials increased from RMB1,078.3 million in the six months ended June 30, 2024 to RMB1,451.9 million in the six months ended June 30, 2025, primarily due to the increase in selling prices as affected by the increase in prices of cobalt, which was driven by the supply disruptions caused by the export suspension of a major cobalt-producing country since February 2025. We did not have local operations in this country during the Track Record Period and up to the Latest Practicable Date.

Our revenue from sales of new energy metal products increased from RMB3,388.0 million in 2023 to RMB13,483.1 million in 2024, and increased from RMB6,439.2 million in the six months ended June 30, 2024 to RMB9,272.9 million in the six months ended June 30, 2025, as we strategically sold more nickel products to the broader market amid the expansion of our nickel production. Our revenue from metals trading increased significantly from RMB9.9 million in 2022 to RMB4,355.9 million in 2024, primarily due to the increase in trading volume of nickel products. Our revenue from metals trading decreased from RMB1,969.9 million in the six months ended June 30, 2024 to RMB546.5 million in the six months ended June 30, 2025, primarily due to a decrease in trading volume of nickel products. The decline in sales volume was primarily due to the fewer trading opportunities to earn price differentials on metal commodities, as identified through our ongoing assessment of market conditions and price fluctuations in the six months ended June 30, 2025. The actual trading volumes in any given year may fluctuate based on prevailing market dynamics and may not always meet the targets previously established. Nevertheless, we will continue to closely monitor market developments and trading opportunities, and will adjust our trading strategies as appropriate in response to future market conditions.

By geographical location

The table below sets forth the breakdown of our revenue by geographical location for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated. During the Track Record Period, we sold our products to customers with places of registration in 22 countries or regions in aggregate.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
<i>(in RMB thousands, except for percentages)</i>										
<i>(Unaudited)</i>										
Mainland China	20,124,343	66.3%	20,200,092	58.9%	22,339,155	55.5%	10,961,315	54.6%	10,538,496	49.4%
Overseas	10,219,399	33.7%	14,073,131	41.1%	17,883,735	44.5%	9,124,871	45.4%	10,784,051	50.6%
South Korea	4,603,070	15.2%	6,962,064	20.3%	5,197,928	12.9%	2,948,612	14.7%	2,066,557	9.7%
the Netherlands . .	4,662,692	15.4%	3,458,181	10.1%	176,866	0.4%	176,339	0.9%	—	—
Singapore	289,223	1.0%	224,527	0.7%	2,883,438	7.2%	1,439,692	7.2%	1,476,789	6.9%
Indonesia	12,180	0.0%	1,383,876	4.0%	3,774,712	9.4%	1,749,464	8.7%	1,588,753	7.5%
United States	5,044	0.0%	57,510	0.2%	1,151,151	2.9%	769,652	3.8%	1,626,226	7.6%
Hong Kong	—	—	555,973	1.6%	2,292,402	5.7%	671,949	3.3%	2,175,620	10.2%
Others ⁽¹⁾	647,185	2.1%	1,431,000	4.2%	2,407,238	6.0%	1,369,162	6.8%	1,850,107	8.7%
Total	30,343,742	100.0%	34,273,223	100.0%	40,222,890	100.0%	20,086,186	100.0%	21,322,547	100.0%

Note:

(1) Mainly include Switzerland, United Kingdom and Luxembourg.

SUMMARY

During the Track Record Period, the revenue contribution from overseas continuously increased, primarily due to our continuous efforts in penetrating overseas markets and improvement of global presence. As a result of our globalization strategy, we expect that the overseas market will continue to account for a substantial portion of our total revenue in the future.

In particular, the revenue from sales to customers of South Korea decreased from RMB6,962.1 million in 2023 to RMB5,197.9 million in 2024, and further decreased from RMB2,948.6 million in the six months ended June 30, 2024 to RMB2,066.6 million in the six months ended June 30, 2025. The revenue contribution from those customers decreased from 20.3% in 2023 to 12.9% in 2024, which further decreased from 14.7% in the six months ended June 30, 2024 and 9.7% in the six months ended June 30, 2025. Such decrease was primarily due to the decrease in selling prices and sales volume of nickel-based materials in South Korea, and the increase in our total revenue primarily attributable to the increase in revenue from sales of new energy metal products.

The revenue from sales to customers with place of registration in the Netherlands decreased from RMB3,458.2 million in 2023 to RMB176.9 million in 2024, and further decreased from RMB176.3 million in the six months ended June 30, 2024 to nil in the six months ended June 30, 2025, primarily due to the fact that the Customer A changed its transaction entities for part of the orders from its subsidiaries in the Netherlands to the United States in 2024 and the six months ended June 30, 2025.

The revenue from sales to customers with place of registration in Singapore increased from RMB224.5 million in 2023 to RMB2,883.4 million in 2024, with revenue contribution increased from 0.7% in 2023 to 7.2% in 2024, primarily due to the significant increase in sales of new energy metal products to customers with place of registration in Singapore. We started to produce nickel products in Indonesia since 2023, and several of our customers for these nickel products are registered in Singapore.

The revenue from sales to customers with place of registration in Indonesia increased from RMB12.2 million in 2022 to RMB3,774.7 million in 2024, with revenue contribution increasing from 0.0% in 2022 to 9.4% in 2024, primarily due to the increase in our sales of new energy metal products in Indonesia as we started our production of nickel products in Indonesia since 2023.

The revenue from sales to customers with place of registration in the United States increased from RMB57.5 million in 2023 to RMB1,151.2 million in 2024, and further increased from RMB769.7 million in the six months ended June 30, 2024 to RMB1,626.2 million in the six months ended June 30, 2025. The revenue contribution from those customers increased from 0.2% in 2023 to 2.9% in 2024, and further increased from 3.8% in the six months ended June 30, 2024 to 7.6% in the six months ended June 30, 2025. Such increase was primarily due to the fact that the Customer A changed its transaction entities for part of the orders from its subsidiaries in the Netherlands and Shanghai to the United States in 2024 and the six months ended June 30, 2025.

The revenue from sales to customers with place of registration in Hong Kong increased from nil in 2022 to RMB2,292.4 million in 2024, and further increased from RMB671.9 million in the six months ended June 30, 2024 to RMB2,175.6 million in the six months ended June 30, 2025, primarily due to the increase in our sales of new energy metal products to customers with place of registration in Hong Kong. We started to produce nickel products in Indonesia since 2023, and several of our customers for these nickel products are registered in Hong Kong.

See “Financial Information – Principal Components of Results of Operations – Revenue.”

SUMMARY

Gross profit and gross profit margin

By products

The table below sets forth the breakdown of our gross profit and the gross profit margin by business nature for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
(in RMB thousands, except for percentages) (Unaudited)										
New energy battery materials										
Nickel-based materials . .	3,070,332	12.5%	3,772,716	17.4%	3,209,255	19.9%	1,625,101	18.4%	1,334,942	17.8%
Cobalt-based materials . .	182,548	5.7%	243,331	8.2%	238,618	10.6%	96,465	8.9%	375,877	25.9%
Phosphorus-based materials	70	10.6%	(26,932)	(8.2)%	(70,902)	(10.4)%	(4,122)	(1.7)%	(70,199)	(10.5)%
pCAM	70	10.6%	(26,932)	(8.2)%	(70,910)	(10.4)%	(4,122)	(1.7)%	(70,231)	(10.5)%
CAM	—	—	—	—	8	23.6%	—	—	32	24.9%
Other innovative materials	—	—	—	—	(2,110)	(21.4)%	446	15.3%	(9,072)	(46.8)%
Sub-total	3,252,950	11.7%	3,989,115	15.9%	3,374,861	17.7%	1,717,890	16.9%	1,631,548	16.9%
New energy metal products . .	—	—	301,192	8.9%	1,016,899	7.5%	676,019	10.5%	690,171	7.4%
Metals trading	143	1.4%	1,125	0.2%	37,916	0.9%	837	0.0%	13,557	2.5%
Resales of raw materials	49,694	2.6%	154,782	3.9%	89,231	5.0%	1,446	0.3%	29,276	2.3%
Others	77,816	12.5%	130,241	11.8%	323,210	22.3%	172,137	25.3%	177,972	28.6%
Total	3,380,603	11.1%	4,576,456	13.4%	4,842,117	12.0%	2,568,328	12.8%	2,542,523	11.9%
Gross profit per ton⁽¹⁾										
Nickel-based materials . .	15.3		17.9		16.5		16.1		13.6	
Cobalt-based materials . .	18.7		12.8		11.3		10.2		32.2	

Notes:

(1) Calculated by dividing gross profit from sales of new energy battery materials by the total volume (in metric tons) sold during the year.

During the Track Record Period, our gross profit margin was primarily affected by our product mix and raw material prices. Our gross profit margin increased from 11.1% in 2022 to 13.4% in 2023, primarily due to the increase in gross profit from sales of nickel-based materials. Our gross profit margin decreased from 13.4% in 2023 to 12.0% in 2024, primarily due to the significant increase in revenue contribution from of new energy metal products, which have lower gross profit margin as compared to our new energy battery materials. Our gross profit margin decreased from 12.8% in the six months ended June 30, 2024 to 11.9% in the six months ended June 30, 2025, primarily due to the increase in revenue contribution from new energy metal products, which have lower gross profit margin as compared to our new energy battery materials, and the decrease in gross profit margin of new energy metal products.

New energy battery materials

Nickel-based materials

The gross profit margin for our nickel-based materials improved from 12.5% in 2022 to 17.4% in 2023, while gross profit per ton increased from approximately RMB15,300 to RMB17,900. This increase in gross profit per ton and gross profit margin was mainly driven by the lower cost per ton benefiting from processing metals within our integrated supply chain, supported by the commencement of our nickel production in 2023. In 2024, the gross profit margin for our nickel-based materials further improved to 19.9%, although gross profit per ton declined to approximately RMB16,500. The decrease in gross profit per ton was mainly due to decline in the benchmark price of nickel. Nevertheless, our gross profit margin

SUMMARY

for the nickel-based materials improved in 2024 because the cost per ton decreased at a sharper rate than the decrease in our average selling price, benefiting from the value we created through development and manufacturing of nickel-based materials. Our gross profit margin from nickel-based materials remained relatively stable at 18.4% and 17.8% in the six months ended June 30, 2024 and 2025, respectively, while our gross profit per ton for nickel-based materials decreased from RMB16,100 per ton in the six months ended June 30, 2024 to RMB13,600 per ton in the six months ended June 30, 2025, primarily due to the decrease in nickel prices.

Cobalt-based materials

The gross profit margin for our cobalt-based materials increased from 5.7% in 2022 to 10.6% in 2024, while the gross profit per ton decreased from approximately RMB18,700 in 2022 to RMB11,300 in 2024. The decrease in gross profit per ton was mainly due to decline in cobalt prices. Nevertheless our gross profit margin of our cobalt-based materials improved from 2022 to 2024 because the cost per ton decreased at a sharper rate than the decrease in our average selling price. The gross profit per ton for our cobalt-based materials increased from RMB10,200 per ton in the six months ended June 30, 2024 to RMB32,200 per ton in the six months ended June 30, 2025, with gross profit margin increased from 8.9% to 25.9% during the same period, primarily due to (i) an increase in selling prices of cobalt-based materials as a result of the increased price of cobalt, and (ii) the use of raw materials that were procured earlier at lower prices when cobalt prices were relatively low.

Phosphorus-based materials

The gross profit margin for our phosphorus-based materials decreased from 10.6% in 2022 to negative gross profit margin of 8.2% in 2023. Such negative gross profit margin increased from 8.2% in 2023 to 10.4% in 2024. This decrease in gross profit margin was primarily due to the decrease in selling prices of phosphorus-based materials as affected by intensified competition resulting from the over-supplies in the market, while the raw materials did not decrease to the same extent as compared to the selling prices. Our negative gross profit margin increased from 1.7% in the six months ended June 30, 2024 to 10.5% in the six months ended June 30, 2025, primarily because we recorded less depreciation costs related to the production facilities of phosphorus-based materials in the six months ended June 30, 2024 as those production facilities were still undergoing frequent adjustment before being recognized as our assets during that period.

New energy metal products

The gross profit margin of new energy metal products decreased in 2024, primarily due to the overall decrease in prevailing market prices of nickel products in 2024, while sourcing costs remained high due to mining production quotas, which restrained supply of lateritic nickel ores. The gross profit margin of new energy metal products continued to decrease in the six months ended June 30, 2025 as compared to that in the six months ended June 30, 2024, primarily due to the continuous decrease in the nickel prices.

SUMMARY

By geographical location

The table below sets forth the breakdown of our gross profit and the gross profit margin by business nature for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>
(in RMB thousands, except for percentages) (Unaudited)										
Mainland China . . .	1,817,630	9.0%	2,325,643	11.5%	2,383,233	10.7%	1,328,189	12.1%	1,401,750	13.3%
Overseas ⁽¹⁾	1,562,973	15.3%	2,250,813	16.0%	2,458,884	13.7%	1,240,139	13.6%	1,140,773	10.6%
Total	<u>3,380,603</u>	<u>11.1%</u>	<u>4,576,456</u>	<u>13.4%</u>	<u>4,842,117</u>	<u>12.0%</u>	<u>2,568,328</u>	<u>12.8%</u>	<u>2,542,523</u>	<u>11.9%</u>

Note:

(1) Mainly include South Korea, Singapore, Indonesia, the Netherlands and Hong Kong.

Typically, the gross profit margin for our new energy battery materials from overseas customers was higher than that of the customers in Mainland China, primarily because the products demanded by our overseas customers are more advanced and high-end compared to those preferred by domestic customers, who tend to be more cost-sensitive. Therefore, the overall gross profit margin from overseas customers was higher than that of the customers in China from 2022 to 2024, as a greater mix of advanced products, such as high- and ultra-high nickel pCAM, which generally have higher gross profit margin, were sold to our overseas customers. However, the overall gross profit margin from overseas decreased from 13.6% in the six months ended June 30, 2024 to 10.6% in the six months ended June 30, 2025 primarily due to the decrease in nickel price which resulted in a lower gross profit margin of our new energy metal products that were mainly sold in overseas. The increase in our gross profit margin in Mainland China increased from 12.1% in the six months ended June 30, 2024 to 13.3% in the six months ended June 30, 2025, primarily due to the increase in gross profit margin for our cobalt-based materials which were mainly sold in Mainland China.

See “Financial Information — Principal Components of Results of Operations — Gross Profit and Gross Profit Margin.”

Our net profit increased from RMB1,539.4 million in 2022 to RMB2,100.5 million in 2023, which decreased to RMB1,787.8 million in 2024, primarily due to the fluctuation in gross profit as mentioned above. Our net profit decreased from RMB1,155.8 million in the six months ended June 30, 2024 to RMB705.7 million in the six months ended June 30, 2025, primarily due to (i) a decrease in other income and gains primarily attributable to the decrease in government grants, (ii) an increase in research and development expenses primarily attributable to an increase in salaries, compensations and benefits, and (iii) an increase in other expenses primarily attributable to an increase in exchange losses mainly caused by the fluctuation in exchange rates of US dollar.

SUMMARY

Financial position

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
	<i>(in RMB thousands)</i>			
Total non-current assets	21,112,556	32,044,317	39,176,747	40,769,354
Total current assets	32,590,359	29,966,649	33,718,432	33,924,751
Total assets	53,702,915	62,010,966	72,895,179	74,694,105
Total non-current liabilities	15,768,120	17,605,072	19,367,145	18,777,198
Total current liabilities	17,590,661	16,482,201	24,039,467	26,487,312
Total liabilities	33,358,781	34,087,273	43,406,612	45,264,510
Net current assets	14,999,698	13,484,448	9,678,965	7,437,439
Net assets	20,344,134	27,923,693	29,488,567	29,429,595
Total equity	20,344,134	27,923,693	29,488,567	29,429,595

Our net current assets decreased from RMB14,999.7 million as of December 31, 2022 to RMB13,484.4 million as of December 31, 2023, primarily due to a decrease in total current assets, mainly including (i) a decrease in inventories of RMB1,691.1 million primarily, (ii) a decrease in pledged deposits of RMB1,227.6 million, and (iii) a decrease in cash and cash equivalents of RMB2,581.8 million, which was partially offset by an increase in prepayments, deposits and other receivables of RMB2,696.2 million. Such decrease in total current assets was partially offset by a decrease in total current liabilities, mainly including (i) a decrease in trade and bills payables of RMB129.4 million, (ii) a decrease in derivative financial instructions of RMB457.9 million, and (iii) a decrease in interest-bearing bank borrowings of RMB967.5 million, which was partially offset by an increase in other payables and accruals of RMB408.9 million.

Our net current assets decreased from RMB13,484.4 million as of December 31, 2023 to RMB9,679.0 million as of December 31, 2024, primarily due to an increase in total current liabilities, mainly including (i) an increase in trade and bills payable of RMB1,655.9 million, (ii) an increase in interest-bearing bank borrowings of RMB4,178.2 million for capital expenditure and operational purposes, and (iii) an increase in bonds payables of RMB1,024.8 million. Such increase in total current liabilities was partially offset by an increase in total current assets, mainly including (i) an increase in inventories of RMB1,897.3 million, and (ii) an increase in financial assets at fair value through profit or loss of RMB2,012.2 million.

Our net current assets decreased from RMB9,679.0 million as of December 31, 2024 to RMB7,437.4 million as of June 30, 2025, primarily due to an increase in total current liabilities, mainly including (i) an increase in trade and bills payables of RMB2,851.3 million and (ii) an increase in interest bearing bank borrowings of RMB12.0 million. Such increase in total current liabilities was partially offset by an increase in total current assets, mainly including (i) an increase in prepayments, deposits and other receivables of RMB789.7 million, (ii) an increase in trade and bills receivables of RMB553.6 million and (iii) an increase in inventories of RMB400.4 million.

Our total equity increased from RMB20,344.1 million as of December 31, 2022 to RMB27,923.7 million as of December 31, 2023, primarily due to (i) the profit for the year of RMB2,100.5 million in 2023, (ii) the acquisition of subsidiaries of RMB1,407.4 million in 2023, and (iii) the capital contribution of non-controlling shareholders of RMB4,418.6 million in 2023. Our total equity increased from RMB27,923.7 million as of December 31, 2023 to RMB29,488.6 million as of December 31, 2024, primarily due to (i) the profit for the year of RMB1,787.8 million in 2024, (ii) the capital contribution of non-controlling shareholders of RMB2,338.4 million in 2024, which was partially

SUMMARY

offset by (i) the acquisition of non-controlling interests of RMB1,504.6 million in 2024, and (ii) the payment of dividends of RMB1,031.1 million in 2024. Our total equity remained relatively stable at RMB29,488.6 million as of June 30, 2024 to RMB29,429.6 million as of June 30, 2025. See “Consolidated Statements of Changes of Equity” in the “Appendix I — Accountants’ Report” to this Prospectus.

See “Financial Information — Selected Balance Sheet Items.”

Cash flows

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Operating profit before working capital changes	2,878,055	4,169,086	4,334,955	2,346,284
Changes in working capital	(7,688,240)	399,780	(120,126)	(731,011)
Income tax paid	(143,382)	(183,677)	(271,866)	(139,632)
Net cash flows (used in)/from operating activities	(4,953,567)	4,385,189	3,942,963	1,475,641
Net cash flows used in investing activities	(11,775,398)	(9,644,253)	(9,972,453)	(2,536,487)
Net cash flows from financing activities	23,392,695	2,519,319	5,556,277	745,285
Net increase (decrease) in cash and cash equivalents	6,663,730	(2,739,745)	(473,213)	(315,561)
Cash and cash equivalents at beginning of the year	6,337,216	12,979,249	10,397,466	10,083,956
Effects of foreign exchange rate changes, net ..	(21,697)	157,962	159,703	(123,122)
Cash and cash equivalents at end of the year	12,979,249	10,397,466	10,083,956	9,645,273

In 2022, we had net cash used in operating activities of RMB4,953.6 million, which primarily due to our profit before tax of RMB1,693.0 million, as adjusted for the items including (i) certain non-cash and non-operating items, primarily comprising (a) finance costs of RMB538.9 million, (b) depreciation of property, plant and equipment of RMB497.5 million, and (c) write-down of inventories to net realizable value of RMB122.9 million, and (ii) changes in working capital, which primarily comprised (a) an increase in inventories of RMB4,883.9 million, (b) an increase in trade receivables of RMB1,744.7 million, and (c) an increase in prepayments and other assets of RMB1,116.2 million, which was partially offset by an increase in derivative financial instruments of RMB423.2 million.

See “Financial Information — Cash Flows.”

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KEY FINANCIAL RATIOS

	Year Ended/As of December 31,			Six Months Ended/ As of June 30,
	2022	2023	2024	2025
Return on assets ⁽¹⁾	2.9%	3.4%	2.5%	1.9%
Return on equity ⁽²⁾	7.6%	7.5%	6.1%	4.8%
Gearing ratio ⁽³⁾	110.4%	83.2%	97.2%	96.9%
Current ratio ⁽⁴⁾	1.9	1.8	1.4	1.3
Quick ratio ⁽⁵⁾	1.3	1.3	1.0	0.9

Notes:

- (1) Return on assets is calculated based on the total profit for the relevant year/period divided by the ending balance of total assets and multiplied by 100%. For illustrative purpose, return on assets for the six months ended June 30, 2025 is calculated on an annualised basis, and may not represent the ratio for the year of 2025.
- (2) Return on equity is calculated based on the total profit for the relevant year/period divided by the ending balance of total equity and multiplied by 100%. For illustrative purpose, return on equity for the six months ended June 30, 2025 is calculated on an annualised basis, and may not represent the ratio for the year of 2025.
- (3) Gearing ratio is calculated based on interest-bearing bank borrowings, bonds payable, amount due to non-controlling shareholders, convertible bonds and lease liabilities divided by the ending balance of total equity and multiplied by 100%.
- (4) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the respective year/period.
- (5) Quick ratio is calculated as total current assets less inventories divided by the total current liabilities as at the end of the respective year/period.

RISK FACTORS

We face risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our Offer Shares. Some of the major risks that we face include:

- Our business is exposed to the supply-demand dynamics in the battery industry, and is affected by market demand for the end products where our new energy battery materials are used.
- The sizes of the markets for our products may be smaller than estimated and new market opportunities may not develop as quickly as we expect, or at all, limiting our ability to successfully sell our products.
- We are exposed to risks relating to price fluctuations of raw materials.
- We source certain raw materials from the market, and we may not be able to secure our supply of such materials in a stable, timely and cost-effective manner.
- If we are unable to manage our growth or execute our strategies, such as globalization of customer base or integration of industry value chain effectively, our business and prospects may be materially and adversely affected.
- We may not be able to increase our production capacity as planned, and even if our production expansion projects proceed as planned, we may not be able to increase our production output in a timely manner or at all as envisaged.

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- We may fail to keep up with rapid technological changes and evolving industry standards.
- We face competition in our business.
- Our overseas expansion strategy and ability to conduct business in various jurisdictions is subject to uncertainties and risks.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Deng and Ms. Wu will hold an aggregate of approximately 50.68% of the total issued Shares, comprising approximately 2.84% direct interest held by Mr. Deng, approximately 46.21% indirect interest held by Zhongwei Holding and approximately 1.64% indirect interest held by Hongxin Chengda. Therefore, Mr. Deng and Ms. Wu will control an aggregate of more than 30% of the voting rights in the Company. Accordingly, Mr. Deng, Ms. Wu, Zhongwei Holding and Hongxin Chengda are and will continue to be a group of Controlling Shareholders upon the Listing. See “Relationship with the Controlling Shareholders.”

DIVIDEND POLICY

During the Track Record Period, we declared cash dividends to our shareholders as follows:

	Year Ended December 31,			Six Months Ended June 30
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Ordinary A Shares				
Interim dividend	–	–	260,460	–
Final dividend in respect of the previous year, declared and paid during the following year (tax inclusive)	101,753	173,023	772,489	328,451
Dividends of lapsed restricted shares	–	(344)	(1,813)	(3,218)
Total	101,753	172,679	1,031,136	325,233

As of the Latest Practicable Date, we had paid these dividends in full.

According to applicable laws in mainland China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax until the cumulative amount reaches 50% or more of the Company’s registered capital; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders’ general meeting. We may distribute our profits in the form of cash, stock, or a combination of both. The aggregate cash dividend for any three consecutive years shall not be less than 30% of the average distributable profits realized during such three years. We may distribute an interim dividend based on our current operating profits and cash flow situation.

We adopted “Shareholder Return Plan for 2024-2026” in 2024. We have strictly implemented this plan, which outlines the decision-making process for setting dividend standards and profit distribution policies, aiming to ensure a stable and consistent approach to profit distribution. After the completion of the Global Offering, our future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends

SUMMARY

is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and fees incurred in connection with the Listing and the Global Offering. Our listing expenses are estimated to be approximately RMB103.8 million (including underwriting commission) accounting for 3.0% of the gross proceeds of the Global Offering, assuming that an Offer Price of HK\$35.90 per H Share (being the mid-point of the Offer Price range stated in this Prospectus) and no exercise of the Over-allotment Option. Among our listing expenses, approximately RMB97.7 million is directly attributable to the issuance of Shares and will be charged to equity upon the completion of the Listing, and approximately RMB6.1 million has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The listing expenses we incurred in the Track Record Period and expect to incur would consist of approximately RMB51.2 million underwriting related expenses and fees (including underwriting commissions, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately RMB38.0 million non-underwriting-related expenses and fees including fees for the Joint Sponsors, legal adviser and reporting accountant and approximately RMB14.6 million for other non-underwriting-related fees and expenses. During the Track Record Period, we incurred RMB21.7 million of listing expenses, among which, RMB21.1 million was included in prepayments, other receivables and other assets and & will be subsequently charged to our equity upon completion of the Listing and RMB0.6 million was charged to our consolidated statement of comprehensive income.

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

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumption that (i) the Global Offering has been completed and 104,225,400 H Shares are newly issued under the Global Offering, and (ii) the Over-allotment Option is not exercised.

	<u>Based on an Offer Price of HK\$34.00 per H Share</u>	<u>Based on an Offer Price of HK\$35.90 per H Share</u>	<u>Based on an Offer Price of HK\$37.80 per H Share</u>
Market capitalization of our H Shares ⁽¹⁾ . . .	HK\$3,543.7 million	HK\$3,741.7 million	HK\$3,939.7 million
Market capitalization of our A Shares ⁽²⁾ . . .	RMB39,384.8 million	RMB39,384.8 million	RMB39,384.8 million
Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per share ⁽³⁾	HK\$21.86	HK\$22.04	HK\$22.23

Note:

(1) Calculated based on the assumption that the Global Offering has been completed and 104,225,400 H Shares are newly issued under the Global Offering.

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- (2) Calculated based on the average closing price of the A Shares of RMB43.37 per Share for the five business days immediately preceding the Latest Practicable Date and the total number of 938,028,458 A Shares as of the Latest Practicable Date and excluding 29,832,872 treasury shares.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per share is arrived at after adjustments referred in “Appendix II — Unaudited Pro Forma Financial Information” in this Prospectus and on the basis of 1,042,253,858 Shares in issue immediately following the completion of the Global Offering and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option.
- (4) Save as disclosed in the Appendix II, no adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2025.
- (5) If we paid 2025 interim dividend of RMB2.80 (tax inclusive) per 10 shares for total of 908,195,586 shares, the unaudited pro forma adjusted consolidated net tangible assets per share would be HK\$21.59, HK\$21.77 or HK\$21.95 based on the Offer Price of HK\$34.00 per Share, HK\$35.90 per Share or HK\$37.80 per Share, respectively.

USE OF PROCEEDS

Assuming an Offer Price of HK\$35.90 per H Share (being the midpoint of the range of the Offer Price stated in this Prospectus), we estimate that we will receive net proceeds of approximately HK\$3,627.9 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering (assuming the Over-allotment Option is not exercised). We intend to use our proceeds for the purposes and in the amounts set forth below.

- approximately 50.0%, or HK\$1,814.0 million, will be used to expand production and supply chain capabilities;
- approximately 40.0%, or HK\$1,451.2 million, will be used for R&D of new energy battery materials and advancing digitalization; and
- approximately 10.0%, or HK\$362.8 million, will be used for working capital and other general corporate purposes.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since December 2020, the Company has been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC 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. 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.

IMPACT OF TARIFF

We have a global operation, with production facilities in China, Indonesia, Morocco and South Korea, while our products are primarily sold in China, South Korea, Singapore, Indonesia and the United States. The production and sales of our products involve moving raw materials and products across borders, which could entail tariff.

In March 2025, the president of the United States imposed 20% tariffs on Chinese goods. On April 2, 2025, the president of the United States imposed a 10% across-the-board tariff on all imports from the U.S.’s trading partners, along with additional country-specific tariffs for various countries (the so-called “reciprocal tariffs”, as adjusted from time to time, and, together with the above-mentioned tariffs, the “Additional US Tariffs”). On April 9, 2025, it was announced that the reciprocal tariffs would be paused for 90 days for all countries but China. On April 10, 2025, the reciprocal tariffs on China were raised to 125%. The United States and China are engaging in trade discussions, and on May 12, 2025, the United States stated that they would lower the reciprocal tariffs on China to 10% for 90 days.

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On May 28, 2025, the U.S. Court of International Trade ruled that the Additional US Tariffs exceeded the president’s legal authority. The international tariff policies are rapidly evolving, and the final outcome, including whether the current US Tariffs can be implemented as proposed, is highly uncertain.

We believe that the Additional US Tariffs, including the corresponding tariff policies introduced by other countries, assuming they are enforced as proposed, will not have a material and adverse impact on our business and results of operations, on the bases that (i) we make very limited direct exports to the United States, and therefore has insignificant direct exposure to the tariffs imposed by the United States; and (ii) downstream customers who import the end products incorporating our products in the United States, are responsible for the tariffs; (iii) we do not intend to further expand our business or significantly increase our direct sales in the United States; and (iv) we do not source any major raw materials from the United States.

See “Business — Tariff” for further details.

THE IMPACT OF COVID-19 PANDEMIC

The outbreak of COVID-19 pandemic has materially and adversely affected the global economy since the first quarter of 2020. In response, the PRC government and the governments of other countries have implemented numerous anti-pandemic measures, to safeguard public health and interest. During the Track Record Period and up to the Latest Practicable Date, our production activities have not encountered any material disruption due to the COVID-19 pandemic, nor did we experience temporary closure or shutdown of our offices or production facilities due to the COVID-19 pandemic.

Accordingly, our Directors believe that the outbreak of COVID-19 pandemic has not had any material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date. However, there is no assurance that our operation or production activities will not be affected in the future due to pandemic or other events. See “Risk Factors — Risks Relating to Our Industry and Business — Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.” As such, we plan to stay alert and closely monitor and evaluate the market situation based on any development of the COVID-19 pandemic in the future.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Unaudited financial information for the nine months ended September 30, 2025

We are a public company listed on the Shenzhen Stock Exchange and we have disclosed unaudited key financial information prepared under PRC GAAP as of and for the nine months ended September 30, 2025 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as of and for the nine months ended September 30, 2025 in Appendix IA to this Prospectus. Our unaudited interim condensed consolidated financial information as of and for the nine months ended September 30, 2025 has been reviewed by our reporting accountant in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Revenue

Our revenue increased by 10.4% from RMB30,162.9 million in the nine months ended September 30, 2024 to RMB33,297.5 million in the nine months ended September 30, 2025, primarily due to the increase in revenue from sales of new energy metal products, cobalt-based materials and phosphorus-based materials, which was partially offset by the decrease in revenue from sales of nickel-based materials.

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The table below sets forth the sales volume and average selling prices of our major product.

	Nine Months Ended September 30,			
	2024		2025	
	Sales Volume ⁽¹⁾	Average selling price ⁽²⁾	Sales Volume ⁽¹⁾	Average selling price ⁽²⁾
	Ton'000	RMB'000/ton	Ton'000	RMB'000/ton
New energy battery materials				
Nickel-based materials	151.3	84.0	152.4	76.9
Cobalt-based materials	15.6	109.3	17.9	140.6
Phosphorus-based materials	46.6	8.7	115.8	9.1
New energy metal products				
Nickel products ⁽³⁾	87.7	104.8	131.8	93.4

Note:

- (1) Excluding the volume from our contract manufacturing services, revenue from which is recorded under “others” in our revenue.
- (2) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year, which represented the average price at which our products were sold to our customers.
- (3) The sales volume of nickel products was calculated based on the metal ton of nickel, representing the actual amount of pure nickel metal contained in our nickel products, mainly including nickel intermediates, such as NPI, low-grade nickel matte, high grade nickel matte, and other nickel products, such as electrolytic nickel.

As affected by the continuous decrease in market prices of nickel, the average selling price of our nickel-based materials and nickel products decreased in the nine months ended September 30, 2025 as compared to that of the corresponding period in 2024. Such decrease in average selling prices was in line with the prevailing market trend. The average selling price of our phosphorus-based materials increased in the nine months ended September 30, 2025 as compared to that of the corresponding period in 2024, as a result of the supply and demand dynamics affected by the increase in end market needs for LFP batteries. As a result of our continuous efforts in expanding our market share and increase the production capacity of our phosphorus-based materials, the sales volume of our phosphorus-based materials increased significantly from 46,600 ton in the nine months ended September 30, 2024 to 115,800 ton in the nine months ended September 30, 2025. According to Frost & Sullivan, the prices of nickel is expected to continue to decrease during 2025 while at a relatively modest rate, which is expected to continuously affect our results of operations. As shown in the sensitivity analysis that illustrates the effects of hypothetical fluctuations in nickel on our gross profit for the periods indicated, the decrease in nickel price has historically and is expected to lead the decrease in our gross profit, which in turn could negatively affect our net profit in 2025.

Cost of sales

Our cost of sales increased by 10.9% from RMB26,392.1 million in the nine months ended September 30, 2024 to RMB29,270.3 million in the nine months ended September 30, 2025, which was generally in line with the growth of our revenue.

Gross profit

Our gross profit increased by 6.8% from RMB3,770.9 million in the nine months ended September 30, 2024 to RMB4,027.1 million in the nine months ended September 30, 2025, primarily due to the increase in revenue. Our gross profit margin remained relatively stable at 12.5% and 12.1% in the nine months ended September 30, 2024 and 2025, respectively.

Other income and gains

Our other income and gains decreased by 42.1% from RMB600.9 million in the nine months ended September 30, 2024 to RMB348.2 million in the nine months ended September 30, 2025, primarily due to the decrease in government grants of RMB205.2 million.

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Selling and marketing expenses

Our selling and marketing expenses increased by 7.5% from RMB76.5 million in the nine months ended September 30, 2024 to RMB82.3 million in the nine months ended September 30, 2025. As a percentage of our revenue, the selling and marketing expenses remained relatively stable at 0.3% and 0.2% in the nine months ended June 30, 2024 and 2025, respectively.

Administrative expenses

Our administrative expenses increased by 17.2% from RMB822.4 million in the nine months ended September 30, 2024 to RMB964.2 million in the nine months ended September 30, 2025, primarily due to the increase in salaries, compensations and benefits. As such, as a percentage of our revenue, the administrative expenses increased from 2.7% in the nine months ended September 30, 2024 to 2.9% in the nine months ended September 30, 2025.

Research and development expenses

Our research and development expenses increased by 15.5% from RMB718.0 million in the nine months ended September 30, 2024 to RMB829.3 million in the nine months ended September 30, 2025, primarily due to an increase in salaries, compensations and benefits. As a percentage of our revenue, the research and development remained relative stable at 2.4% and 2.5% in the nine months ended September 30, 2024 and 2025, respectively.

Other expenses

Our other expenses increased by 99.1% from RMB217.6 million in the nine months ended September 30, 2024 to RMB433.3 million in the nine months ended September 30, 2025, primarily due to an increase in exchange losses mainly caused by the fluctuation in exchange rates of US dollar.

Profit for the period

As a result of the foregoing, our profit for the period decreased from RMB1,646.7 million in the nine months ended September 30, 2024 to RMB1,111.1 million in the nine months ended September 30, 2025.

Asset and liabilities

Our total assets increase from RMB72,895.2 million as of December 31, 2024 to RMB76,503.0 million as of September 30, 2025, primarily due to an increase in property, plant and equipment and inventories. Our total liabilities increased from RMB43,406.6 million as of December 31, 2024 to RMB46,906.5 million as of September 30, 2025, primarily due to an increase trade and bills payables and interest-bearing bank and other borrowings. As a result, our net assets remained relatively stable at RMB29,488.6 million as of December 31, 2024 to RMB29,596.5 million as of September 30, 2025.

Cash flow

In the nine months ended September 30, 2025, we recorded net cash flow generated from operating activities of RMB2,215.3 million, net cash flow used in investing activities of RMB5,046.4 million, and net cash flow generated from financing activities of RMB1,282.4 million.

Regulatory updates

On October 9, 2025, the Ministry of Commerce and the General Administration of Customs jointly released several policies (the “**October 9 Policies**”), which impose export control measures on rare earths and other critical materials, such as super-hard materials and certain items related to lithium-ion batteries and

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artificial graphite anode materials, as well as certain equipment and raw materials for rare earths. Among the October 9 Policies, the Announcement on the Export Control of Certain Items Related to Lithium Batteries and Artificial Graphite Anode Materials (Ministry of Commerce & General Administration of Customs Announcement [2025] No.58) (《公布對鋰電池和人造石墨負極材料相關物項實施出口管制的決定》(商務部海關總署公告2025年第58號)) (“**Announcement No.58**”) imposes export control measures on certain items related to lithium batteries. The Announcement No. 58 was originally scheduled to take effect on November 8, 2025, while it has been further announced on October 30, 2025 that the implementation of the Announcement No. 58 will be suspended for one year and the PRC government will further consider and refine specific plans during such year. Upon effect and implementation of the Announcement No. 58, specified items including certain cathode materials will become subject to export control. Among the products manufactured and sold by us during the Track Record Period and up to the Latest Practicable Date, part of the nickel-based materials (namely, nickel-cobalt-manganese hydroxide and nickel-cobalt-aluminium hydroxide) (the “**Controlled Nickel-based Materials**”) and part of the phosphorus-based materials (namely, lithium iron phosphate) (the “**Controlled Phosphorus-based Materials**”) (collectively, the “**Controlled Items**”) fall within the controlled items expressly listed in Announcement No. 58. Rare earths are not among our export products. Apart from the Controlled Items, none of our other products falls within the scope of October 9 Policies.

As advised by the PRC Legal Adviser, we can continue to export the Controlled Items as usual without an export license until the effect and implementation of the Announcement No. 58. However, upon the effect and implementation of the Announcement No. 58, any export of Controlled Items shall, on top of existing export procedures, comply with the Export Control Law of the People’s Republic of China (《中華人民共和國出口管制法》) and the Control List for the Export of Dual-Use Items and Technologies of the People’s Republic of China (《中華人民共和國兩用物項出口管制條例》). According to the issued Announcement No. 58, there is no transitional arrangement after its effectiveness. We shall submit a written application for obtaining the “Dual-Use Items and Technologies Export License” to the Ministry of Commerce, which shall contain the end-use certificates with the end-user information, such as their identities and purpose for procurements of relevant products. The application is subject to review and approval by the competent authorities, and we need to submit the export license to customs when going through export declaration procedures after the effectiveness of Announcement No. 58. According to consultations conducted by us with the commerce authorities of China, we shall take normal procedures to obtain export licenses for the Controlled Items. As of the Latest Practicable Date, we had almost finished the preparation of application materials and expected to submit the applications in time before the effect and implementation of the Announcement No. 58. According to the relevant laws and regulations and as advised by the PRC Legal Adviser, the competent authorities are expected to revert the review results and, if the application passes the review, issue the export license within 45 working days after receiving the application. Following the discussions with the PRC Legal Adviser, as well as a review of applicable laws and regulations and to the best of our knowledge, we do not foresee substantive legal or operational obstacles for obtaining the export license provided that the application materials comply with regulatory requirements.

We had taken and plan to take several measures to mitigate the impact of such announcement, including potential substitutes for exports of Controlled Nickel-based Materials from China with Controlled Items produced in our Morocco and Indonesia production bases and prioritizing the production and delivery of Controlled Items for existing orders before the Announcement No. 58 takes effect. We will closely monitor the implementation of Announcement No. 58 and continuously assess its impact. We will adjust those measures as necessary in time to ensure the compliance. See “Business —Export Control,” and “Risk Factors - We are subject to anti-corruption, anti-bribery, anti-money laundering, financial, export control regulations and similar laws and regulations. Any non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.”

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In 2022, 2023 and 2024 and the six months ended June 30, 2025, the revenue generated from exports of Controlled Nickel-based Materials amounted to approximately RMB4.8 billion, RMB5.6 billion, RMB2.7 billion and RMB0.6 billion, respectively, accounting for approximately 16%, 16%, 7% and 3% of our total revenue in the corresponding period. In the first half of 2025, we conducted trial production and customer verification process for the Controlled Phosphorus-based Materials, with revenue of around RMB0.1 million generated from export of such materials in the six months ended June 30, 2025. The decrease in revenue from export of Controlled Nickel-based Materials as a percentage of our total revenue from 16% in 2023 to 7% in 2024 and further to 3% in the six months ended June 30, 2025, primarily due to (i) the decrease in export of Controlled Nickel-based Materials primarily attributable to the gradual adoption of LFP batteries in mass market EV in overseas markets, and (ii) the overall decrease in revenue contribution from sales of nickel-based materials attributable to the significant increase in revenue from sales of new energy metal products since 2023. We expect that the revenue contribution from the export of the Controlled Nickel-based Materials will continue to decrease for the year ending December 31, 2025, as compared with that in the year ended December 31, 2024. Based on the above, after discussion with the PRC Legal Adviser, our Directors are of the view that the implementation of Announcement No. 58 is not expected to have material adverse effect on our business, results of operations and financial condition.

Save as disclosed, our Directors confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial position, trading and prospect since June 30, 2025, and there has been no event since June 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Prospectus.