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IPO FACT SHEET

Red Avenue New Materials Group Co., Ltd. (9607)

Issue Statistics

Offer Size: HK$2,656.6 – 2,997.2 million
Public Tranche: 6,811,900 H Shares
Placement Tranche: 61,306,800 H Shares
Cornerstone Tranche: 23,877,500 H Shares (US$126.4 million, or HK$990.9 million, at the mid-point Offer Price of HK$41.50)
Price: HK$39.00 – 44.00
NAV per share (post IPO): HK$9.84 – 10.33
Historical PE: *55.34-55.74x*
Market Cap (post-IPO): HK$46,700.0 – 47,040.6 million
Open: 21 Sep 26
Close: 24 Sep 26, 12.00 noon
Trading: 29 Sep 26
Sponsors: Haitong International Capital Limited

Year ended 31 Dec	Rmbm	yoy % chg
Revenue		
FY24	3,263.4	+11.1
FY25	3,420.6	+4.8
Net profit		
FY24	534.2	+32.2
FY25	577.3	+8.1

Background

- Red Avenue New Materials is a comprehensive new materials provider in the PRC, engaged in the R&D, production and sale of rubber additives for tyres and other chemical products, electronic materials and fully biodegradable materials. Its A shares have been listed on the Shanghai Stock Exchange since 2018 (603650).
- According to F&S, it ranked first by sales revenue in both the global and PRC phenolic resin rubber additives for tyres markets in FY2025, with market shares of 41.4% and 45.9%, and first among local suppliers in the PRC semiconductor photoresist and TFT array photoresist markets, with shares of 5.8% and 26.2%.
- Products span phenolic resins and PTBP for tyres, semiconductor photoresists, CMP polishing pads and display panel photoresists, and PBAT. Customers cover the world's top 20 tyre makers and leading 8- and 12-inch wafer fabs in the PRC; the five largest customers accounted for 29.8% of FY2025 revenue and the largest for 10.8%.
- FY2025 revenue rose 4.8% yoy to RMB3,420.6 million and net profit 8.1% to RMB577.3 million, of which share of profits of associates was RMB382.1 million (66.2%). In 1H2026 revenue grew 29.2% to RMB2,133.1 million and net profit 8.6% to RMB389.1 million, with electronic materials rising to 32.5% of revenue.

Use Of Proceeds

Application	HK$ in millions	Approximate % of net proceeds
Enhancing R&D efficiency and capabilities	887.6	32.8
Upgrade and maintenance of production facilities	568.3	21.0
Strategic investments and/or acquisitions	541.2	20.0
Repaying bank borrowings	270.6	10.0
Expanding overseas market presence and supply capabilities	167.8	6.2
Working capital and general corporate uses	270.6	10.0
Total	**2,706.1**	**100.0**

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