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OVERVIEW

Who We Are

We are a commodity trading service provider and trader in China. We source and distribute over 294 physical commodities, spanning ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and other commodities. According to Frost & Sullivan, we were:

- the fifth largest commodity trading service provider and trader in China by trading volume and sales revenue in 2025, with respective market shares of 0.9% and 0.8%;
- the fourth largest steel trading service provider and trader in China by trading volume and sales revenue in 2025, each with a market share of 2.4%, as well as the second largest steel export trading service provider and trader in China by trading volume in 2025 with a market share of 5.1%; and
- the second largest iron ore trading service provider and trader in China by trading volume and sales revenue in 2025, each with a market share of 2.9%.

Industry research sits at the core of our business. We have established a dedicated research team that translates macroeconomic cycles and supply-and-demand dynamics into actionable insights that are embedded in day-to-day trading through close, ongoing collaboration between our research and trading teams. First-hand market intelligence generated through daily trading feeds back in real time, sharpening our research analytics and strengthening our judgment across market cycles. This approach enables us to systematically apply derivative instruments across the majority of our spot commodity trading, forming our basis trading capabilities and continuously strengthening our overall capabilities.

We further distinguish ourselves by serving customers’ needs across the trading lifecycle while enhancing our profitability. We provide commodities that meet customers’ timing, quality and specification requirements, supported by flexible pricing arrangements aligned with customers’ operational needs. Our trading is typically offered alongside end-to-end supply chain services, and we further provide tailored consulting services upon request to help customers enhance operations. Beyond serving customers, we continue to expand our reach across the value chain through strategic investments and collaborations, deepening upstream supply access, strengthening downstream coverage, and capturing opportunities across industry cycles.

Our trading and service capabilities are evidenced by strong market recognition. As of the Latest Practicable Date, we had 20 factory warehouses certified by futures exchanges in China, including Shanghai Futures Exchange, the Dalian Commodity Exchange, the Zhengzhou Commodity Exchange and the Guangzhou Futures Exchange. Such factory warehouses refer to qualifications certified by the relevant futures exchanges to generate exchange-recognized warehouse receipts as delivery instruments for futures contract settlement, rather than physical warehouses. According to Frost & Sullivan, we had the largest number of exchange-certified factory warehouses in the industry. We believe this reflects our strong credit standing, fulfillment capability, and enhances our ability to manage trade flows with greater efficiency and flexibility.

With unwavering dedication to creating long-term value for the industry, we contribute to the development and enhancement of industry standards and market practices. Recognized by all futures exchanges in China as an industry-finance integration demonstration base, we leverage our futures and risk management expertise to provide training and practical guidance to enterprises, and to contribute to the refinement of exchange trading rules and market practices. We will continue to drive industry progress and build an enduring company by deepening our supply and customer network, strengthening our core capabilities, and expanding our reach across markets worldwide.

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Our Globalized Business Footprints

Commodities are produced and demanded unevenly around the world, and regional markets often differ in supply-and-demand dynamics, price movements and policy environments. Against this backdrop, we have established a globalized business footprint to capture opportunities across geographies, commodity types and economic cycles, strengthen supply security, reduce reliance on any single market or sourcing channel, and deliver stable growth and long-term value creation amid market volatility.

We have implemented a three-phase overseas expansion strategy, progressing from internationalization to localization and, ultimately, globalization, forming a sustainable path. In particular:

- **Internationalization.** We focus on cross-border trading through import and export activities, connecting China’s markets with global supply and demand.
- **Localization.** We expand our presence in key overseas markets through investments and the establishment of subsidiaries and offices, strengthening local execution and improving our ability to respond to local market conditions.
- **Globalization.** We aim to build a unified global operational network by optimizing resource distribution across countries, fostering cross-regional collaboration, and making strategic global investments.

We have forged stable, long-term partnerships with both upstream and downstream business partners, ensuring a reliable and sustainable supply chain. Our relationships with key global resource suppliers enable us to meet the diverse demands worldwide. On the downstream side, our partners include major steel enterprises, smelting plants, traders, and end-users, both in China and internationally. By integrating strong customer relationships across domestic and international markets, we have moved beyond regional trading to operate on a global scale.

Our Financial Performance

During the Track Record Period, we maintained strong growth momentum with solid profitability.

- **Revenue.** Our revenue increased by 7.3% from RMB252,132.4 million in 2023 to RMB270,629.9 million in 2024, and remained relatively stable in 2025. Our revenue remained relatively stable at RMB109,458.8 million in the five months ended May 31, 2025 and RMB110,493.0 million during the same period in 2026.
- **Profitability.** We remained focused on sustainable growth and continued to enhance our profitability. Our net profit increased by 38.6% from RMB1,032.3 million in 2023 to RMB1,431.0 million in 2024, and remained relatively stable at RMB1,434.6 million in 2025. Our net profit increased by 5.7% from RMB524.4 million in the five months ended May 31, 2025 to RMB554.1 million during the same period in 2026.
- **Return on Equity.** We remained committed to creating value for our shareholders and maintained a sound level of return on equity. Our ROE was 13.4%, 15.9%, 16.4% and 8.0% in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

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OUR STRENGTHS

Globalized Operations with Established Supplier and Customer Networks

We have established a globalized business footprint, supported by a network of suppliers and customers, which positions us well to expand our business, deepen market penetration and pursue long-term development. As of the Latest Practicable Date, we had 17 overseas subsidiaries and offices. We conducted trading in substantially all provinces in China and over 80 countries and regions during the Track Record Period. Leveraging this globalized network, we served approximately 20,000 customers in each period during the Track Record Period.

In addition, we have built a global network of suppliers and customers, enabling us to match supply and demand across markets worldwide and facilitate trade flows across borders. Our upstream and downstream partners comprise a diverse group of enterprises, including large and mid-sized domestic and international steel producers, chemical companies, manufacturing enterprises, major construction and engineering companies, and reputable trading firms. Many of these partners are industry leaders or state-owned enterprises with strong capital positions, well-established management systems and solid risk resilience, providing a stable foundation for our operations.

We are committed to creating value for participants across the industry value chain. We serve as a key business partner to several globally leading steel groups and are closely involved in their global sales and distribution activities. Specifically, we have established joint ventures with multiple major steel producers and steel pipe manufacturers to support their operations and deepen our collaboration.

Distinguished Industry Research Capabilities

Commodity trading typically involves large transaction sizes, diverse counterparties and significant price volatility, and trading outcomes are influenced by supply-and-demand dynamics, macroeconomic conditions and geopolitical developments. Against this backdrop, we have developed research capabilities and an integrated research framework anchored in in-depth industry analysis and embedded across our day-to-day operations to translate market knowledge and insights into disciplined trading decisions and execution.

Dedicated Research Team. We have established a dedicated research team in 2015. Our research team analyzes global economic trends, tracks industry developments and supply-and-demand dynamics, and conducts multi-dimensional analysis across geographies, commodity types and time periods to generate insights into both spot and futures markets.

Comprehensive Market Knowledge Insights. Our large-scale, active trading activities provide us with sustained visibility into market conditions. Our research team is closely integrated with our trading teams and is embedded in our day-to-day trading operations. This close collaboration enables our research team to develop a timely, ground-level market intelligence on upstream and downstream order flows, inventory conditions, sales trends and production schedules as they evolve in the ordinary course of business. Building on these ongoing market observations, we continuously monitor market trends across major global markets. The first-hand market intelligence generated through this process allow our research team to deliver timely, well-grounded analysis that directly supports our trading decisions and execution.

Research-Driven Trading. Leveraging our research capabilities, we have developed various trading strategies to serve clients and capture trading opportunities. In addition, we integrate research insights into daily execution through market briefings, strategy and position review meetings, and daily and weekly reports covering major commodity types. This collaboration helps

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ensure research findings are translated into trading execution, while execution feedback continuously refines our research, supporting front-line decision-making and strengthens our ability to interpret and anticipate industry trends.

Integrated Service Capabilities

We draw on our deep understanding of the operational challenges inherent in the industry to serve customer needs across the commodity trading value chain through various trading strategies. As a result, we have moved beyond traditional, transaction-driven interactions and built long-term, cooperative relationships with customers focused on sustained value creation, thereby further strengthening our ability to manage trade flows and securing commercial power.

Commodity price volatility often gives rise to significant operational challenges for market participants, including inventory write-downs, underutilized production capacity, order volatility, uncontrolled procurement costs, and disruptions in sales channels. To address these challenges, we have developed various trading strategies designed to meet customer needs across the entire value chain. Supported by a globalized supplier and customer network, we are able to source required commodities worldwide at competitive prices and with reliable delivery timelines. At the same time, we provide Chinese producers with stable access to overseas demand and facilitate efficient product distribution, thereby supporting their sustainable overseas expansion. We often provide commodities together with a suite of value-added services across the full supply chain, including logistics, warehousing, processing, and delivery.

We further differentiate ourselves through the use of derivatives instruments to conduct basis trading to offer customers flexible pricing arrangements aligned with their operational and capital needs. These arrangements are designed to enhance operational flexibility, mitigate liquidity pressure and financing burdens, reduce the impact of price volatility, and optimize resource allocation. As a result, we have established long-term and stable relationships with participants across the value chain. For example, in Tangshan, one of China’s major steel-producing regions, our cooperative partners include rolling mills that collectively account for more than 50% of the local narrow strip rolling capacity.

In addition, we provide a consulting service framework covering inventory management, capacity utilization, order coordination, procurement optimization, and sales channel development. For example, for one of the largest flat bar producers in China, we deliver customized procurement and sales solutions that enable the producer to flexibly meet its customers’ diversified delivery schedules and pricing requirements. In addition, we support dynamic production and inventory management to improve capacity planning and utilization.

Disciplined and Effective Risk Management

We have built a disciplined and effective risk management framework that is integrated into every stage of our operations and day-to-day decision-making. This framework supports stable operations across market cycles and underpins long-term value creation, becoming a key factor distinguishing us from competitors and underpinning the trust from customers.

Governance and Oversight. We have established a risk management committee as the highest decision-making body for risk control. The committee oversees risk management across our operating activities and reviews major risk policies and response plans. At the execution level, we have built a risk control framework covering the full trading lifecycle, from business onboarding and transaction approval to contract execution, logistics management and fund settlement, forming a well-structured risk management framework.

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Risk Budget Management. In line with prudent financial and risk management principles, we embed key risk control parameters into our annual budgeting and authorization framework. This approach allows trading teams to exercise operational discretion within defined risk limits, balancing transaction efficiency with risk discipline. Through measures such as loss limits and position limits, we ensure that overall risk exposure remains within acceptable and controllable boundaries.

End-to-end Risk Management. At the risk identification stage, we use data-driven analytical tools to monitor key risks, such as credit risk, logistics risk and price risk. At the risk prevention stage, we implement standardized operating procedures, set multi-level risk alert thresholds and use derivative instruments, to manage exposure proactively. In addition, a risk management team independent from the trading team will review major transactions for compliance and risk exposure. When risk thresholds are triggered, contingency measures can be activated promptly to limit potential losses. This end-to-end framework enables us to maintain stable operations under volatile market conditions.

A Management Team Driving Sustained Growth

Guided by our operating principles of innovation, disciplined risk management, prudent growth and long-term value creation, we are led by a core management team composed of experienced industry professionals. Our management team combines strategic foresight with experience across multiple industry cycles and provides a solid foundation for our sustained growth and stable operations.

Experienced Leadership with Long-term Industry Perspective. Our President, Mr. Lyu, has more than 20 years of experience in the commodity trading industry. Under his leadership, we have made forward-looking strategic deployments at key points along the industrial value chain, allowing us to develop a competitive position. His industry insight and decision-making have guided our steady and efficient growth.

Deep Industry Experience and Diversified Professional Backgrounds. Members of our senior management team have an average of more than 20 years of industry experience, and our key executives have over 10 years of experience specifically in commodity trading and risk management. They have held senior positions at large state-owned enterprises, global trading companies, financial institutions and leading industrial groups. As a result, the team has a deep understanding of each stage of the commodity value chain and maintains established industry networks. Their expertise spans international trade, finance, financial management and supply chain operations, enabling a practical understanding of the commodity trading business. Many members of our management team have personally participated in and witnessed the evolution of China’s commodity markets from a planned economy to a market-oriented system, from domestic markets to global integration, and from traditional trading models to the integration of trading, finance and technology. This experience has strengthened the team’s ability to anticipate market development trends and identify emerging industry opportunities.

Aligned Incentives Through Equity Participation. We have undergone a mixed-ownership reform that allows key management personnel and core employees to participate in equity ownership. Combined with appropriate delegation of authority, this structure aligns incentives, strengthens accountability and enhances employee engagement. By sharing both risks and rewards, we motivate core personnel to focus on long-term value creation and support sustainable development.

Strong Decision-making and Execution. We emphasize disciplined strategic decision-making supported by professional analysis and collective review. Our management team regularly organizes expert discussions and market analysis sessions, incorporating macroeconomic trends, industry policy developments and supply-demand dynamics into the evaluation of medium- and long-term strategies and major business decisions. This process helps ensure that decisions are well-founded,

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timely and forward-looking. At the same time, guided by our values of integrity, pragmatism, commitment, innovation and shared growth, our management team has built an execution-oriented organization characterized by clear accountability and rapid response. Drawing on hands-on experience, the team is able to translate strategy into action and adapt quickly to changes in market conditions. This flexibility allows us to adjust business strategies, optimize resource allocation and identify opportunities amid uncertainty, supporting the consistent achievement of our strategic objectives.

OUR STRATEGIES

Enhance the Core Competitiveness and Profitability

Expand Coverage Across Commodities and Markets

Product Coverage. We plan to continue focusing on our core commodity categories and expand our commodity portfolio. Specifically,

- Ferrous metals. On the one hand, we will continue to expand our trading scale in key ferrous metals by increasing volume and gaining market share, thereby enhancing our overall market presence. On the other hand, we will also improve profitability in certain commodity types such as cold-rolled steel, galvanized steel, and round steel, and explore opportunities to develop specialty steel products to further broaden our commodity profile.
- Steelmaking raw materials. For core steelmaking raw materials such as iron ore, we will focus on key customers and strengthen access to upstream resources through strategic partnerships, direct sourcing and long-term cooperation, thereby building a stable source of supply supporting additional trading scenarios. For core steelmaking raw materials such as coking coal and coke, we will strengthen the development of imported resources as well as logistics infrastructure and selectively pursue business opportunities across industrial scenarios, such as coal washing, processing hubs and logistics terminals, to enhance throughput efficiency across procurement, storage and sales.
- Other commodities. Leveraging shared customer resources and logistics network, we will deepen our assessment of trading opportunities in chemicals, non-ferrous metals and other commodities, forming synergies among commodity categories and reinforcing the foundation for overall business development.

Market Expansion and Penetration. We plan to deepen penetration in our established markets and accelerate expansion in select markets with strong growth potential that remain underpenetrated. Specifically,

- We plan to deepen existing market penetration in the Yangtze River Delta. We will consolidate intra-region resources, enhance customer service, and increase our share in these established markets.
- We will accelerate expansions in markets with strong growth potential that remain underpenetrated, such as South China and Southwest China, by expanding local service coverage and strengthening supporting capabilities such as warehousing, logistics and distribution to improve delivery efficiency and service reliability.

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Enhance Customer Management and Relationships

We will establish dedicated business teams by core commodity category, with clearly defined responsibilities, authority and performance metrics. Each business team will maintain and periodically update its business plan to ensure strong execution and operational efficiency. Specifically,

- We will optimize customer classification and tiered management, allocate more resources and service capacities to high-quality customers with repeatable demand and scalable potential, and maintain a customer mix that supports both stable base profitability and flexibility for growth opportunities.
- We plan to improve customer management and deepen cooperation with key customers to enhance customer loyalty. For example, we intend to establish long-term cooperation through joint ventures, co-development arrangements and long-term agreements, aiming to secure commercial power in the industrial value chain, thereby achieving steady growth in market share.

Reinforce Research-Driven Decision-Making

We will accelerate the digital transformation of our research framework by strengthening our digitalization infrastructure and integrating internal and external data resources. Increased investment in database construction and system upgrades will enable timely data updates and enhance our capabilities in market analysis, price forecasting and strategy formulation, providing support for trading decisions.

Building on our accumulated research expertise in the commodity sector, we are advancing the deployment of digital tools. We are currently developing an AI-driven research platform. Upon launch, this platform is expected to significantly improve the research efficiency and analytical capabilities of our business units, enhance our ability to identify market opportunities, and accelerate the monetization of research outcomes.

Build A Self-Reinforcing Cycle between Trading and Strategic Investments

We plan to build a cycle in which our trading activities identify investment opportunities, and our investments, in turn, strengthen and expand our trading operations.

We will continue to extend our reach across the value chain while expanding our network of customers, business partners and logistics resources. Coupled with our industry research capabilities and ongoing assessment of market trends, this foundation is expected to enable us to identify attractive investment targets and value realization opportunities along the value chain with greater precision. Our investment activities will remain closely aligned with, and supportive of, our trading operations, with a focus on opportunities that enhance our capabilities, improve operating efficiency and ultimately promote the sustainable growth of our trading operations.

In addition, we plan to strengthen our control over trade flows through strategic investments in critical segments, with the objectives of reducing trading risks, improving supply-chain stability and creating incremental trading opportunities. For example, we intend to deepen cooperation with resource owners and operators, including mining companies and steel mills, and selectively pursue equity investments to secure more stable supply and strengthen our upstream sourcing capabilities.

We also plan to make investments in logistics assets. As we grow, we intend to invest in a portfolio of strategically located warehousing facilities and logistics hubs that can materially improve supply-chain efficiency. By strengthening and optimizing our supply-chain infrastructure, we expect to enhance service efficiency and delivery capability, better support customers' operational needs, and reinforce the resilience and scalability of our trading operations.

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Accelerate Global Expansion and Strengthen Localized Overseas Operations

We plan to further enhance the operating efficiency and profitability of our existing international trading operations, while proactively expanding into high-potential emerging regions with abundant upstream resources and downstream demand. By concentrating on selected markets, we will deepen localized operations to achieve stronger market penetration and meaningful share gains. We plan to further develop mainstream global trade routes across key commodities and broaden our global supplier network. Our objective is to expand both our overall share of international trading volume and our share with leading suppliers.

In addition, leveraging our established presence and network advantages in regions such as Southeast Asia and South America, we plan to expand into deep-sea routes and broader international markets. We will improve our relationships with overseas suppliers, pursue exclusive distribution rights in selected key markets where appropriate, and continue to strengthen long-term partnerships with overseas logistics and warehousing service providers. Through these efforts, we aim to enhance global transportation and delivery capabilities and progressively build a more integrated global supply chain system.

We will pursue a focused strategy of resource concentration and targeted execution, select key markets and deploy our strengths to accelerate expansion, particularly in regions such as the Middle East and Africa. We believe these regions present growth opportunities, driven by accelerating industrialization and urbanization and the resulting demand for foundational materials.

To enhance localized execution and regional coverage, we plan to deepen our on-the-ground presence in selected emerging markets, including establishing trading subsidiaries and/or setting up regional hubs through joint ventures with local partners, to extend coverage across local and neighboring countries. We will recruit and develop local trading and operational talent, forming a globally coordinated team with deep local-market expertise. In addition, guided by local customer needs, we will expand our localized capabilities, including developing local trading services, processing services, warehousing and logistics solutions, and basis trading capabilities where appropriate. We will also strengthen collaboration with local traders and Chinese enterprises operating overseas to build industry alliances, accumulate local channel resources, and deepen our on-the-ground execution experience.

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Overview

During the Track Record Period, we generated substantially all of our revenue from commodity trading. We focus on sourcing physical commodities from a broad supplier base and delivering them to customers based on their required timing, quality standards and specifications. We support our trading with end-to-end supply chain services, including logistics, warehousing and processing. We typically apply derivative instruments, primarily futures contracts, across the majority of our spot commodity trading, forming our basis trading approach, which helps us manage price volatility and further strengthens our service capabilities.

We have established a global business footprint across more than 80 countries and regions, supported by established supplier and customer network. During the Track Record Period, we generated the majority of our revenue from domestic trading within China, while continuing to broaden our international reach through import and export activities that connect China’s market with global supply and demand. In addition, we also conduct triangular trading, where we facilitate trade flows directly from one overseas market to another, and local trading in overseas markets, where we source and distribute commodities within the same overseas market, further supporting large-scale, recurring and efficient trade flows.

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We primarily source and distribute the following commodities:

Ferrous metals and steelmaking raw materials	A comprehensive range of ferrous metals and steelmaking raw materials, covering substantially all of the entire industry chain from upstream steelmaking raw materials to downstream finished ferrous products, including iron ore, coal, hot-rolled coil, rebar, specialty steel, and stainless steel products.
Chemicals	Multiple types of chemicals, including olefins, arene, polyester, rubber, pulp, and liquefied petroleum gas. Specifically, recognizing the opportunities arising from the global energy transition, we have expanded our commodity portfolio to include new energy materials-related commodities, such as lithium carbonate and industrial silicon.
Non-ferrous metals	A wide range of non-ferrous metals, primarily including copper, aluminum, zinc and nickel.

The following table sets forth a breakdown of our revenue from commodity trading by commodity type, in absolute amounts and as percentages of our total revenue from commodity trading, for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Ferrous metals and steelmaking raw materials										
– Steel	98,989,966	39.5	91,003,590	33.7	104,098,850	38.6	43,807,055	40.1	42,271,161	38.4
– Iron ore	31,195,313	12.5	28,399,804	10.5	35,276,025	13.0	12,445,614	11.4	16,586,325	15.0
– Other raw materials	1,995,919	0.8	4,327,308	1.6	8,452,963	3.2	3,397,728	3.1	5,673,155	5.1
Subtotal	132,181,198	52.8	123,730,702	45.9	147,827,838	54.8	59,650,397	54.6	64,530,641	58.5
Chemicals										
– Polyester	17,299,495	6.9	29,336,453	10.8	30,040,218	11.1	11,127,454	10.2	10,204,950	9.3
– Aromatics	26,151,061	10.4	39,689,486	14.7	28,383,218	10.5	13,312,936	12.2	12,038,309	10.9
– Rubber	7,198,506	2.9	12,193,850	4.5	11,744,676	4.4	5,481,295	5.0	3,668,497	3.3
– Other chemical products	22,883,156	9.2	29,421,834	10.9	31,144,203	11.5	12,320,276	11.3	13,623,181	12.4
Subtotal	73,532,218	29.4	110,641,623	41.0	101,312,315	37.5	42,241,961	38.7	39,534,937	35.9
Non-ferrous metals										
–	37,238,412	14.9	30,724,508	11.4	15,648,842	5.8	5,575,175	5.1	4,374,297	4.0
Other commodities⁽¹⁾	7,530,156	2.9	4,691,956	1.7	5,034,453	1.9	1,760,631	1.6	1,802,599	1.6
Revenue from commodity trading	250,481,984	100.0	269,788,789	100.0	269,823,448	100.0	109,228,164	100.0	110,242,474	100.0

Note:

(1) Other commodities primarily include agricultural products such as sugar and cotton.

Trading Models

During the Track Record Period, we generated the majority of our revenue from domestic trading within Chinese Mainland, and, to a lesser extent, from import trading, export trading and triangular trading across different commodity categories.

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The following table sets forth a breakdown of the volume and value of the commodities imported into and exported from Chinese Mainland for the periods indicated:

	Year Ended December 31,										Five Months Ended May 31,													
	2023					2024					2025					2026								
	Import Volume ⁽¹⁾	Import Value	Percentage of Total Purchase	Export Volume ⁽²⁾	Export Value	Percentage of Total Revenue	Import Volume ⁽¹⁾	Import Value	Percentage of Total Purchase	Export Volume ⁽²⁾	Export Value	Percentage of Total Revenue	Import Volume ⁽¹⁾	Import Value	Percentage of Total Purchase	Export Volume ⁽²⁾	Export Value	Percentage of Total Purchase	Import Volume ⁽¹⁾	Import Value	Percentage of Total Purchase	Export Volume ⁽²⁾	Export Value	Percentage of Total Revenue
	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%	Ton '000	RMB'000	%
Ferrous metals and steelmaking raw materials ⁽¹⁾	9	25,878	0.0	4,459	20,521,857	8.1	6	19,618	0.0	4,438	16,970,895	6.3	-	-	-	6,104	22,493,423	8.3	-	4,076	0.0	2,179	7,925,257	7.2
	18,655	15,155,157	5.0	-	-	-	18,290	13,702,206	3.8	-	-	-	20,457	14,819,109	4.0	-	-	-	5,058	3,658,884	2.7	-	-	-
	279	297,005	0.1	-	-	-	1,136	1,026,402	0.3	-	-	-	927	1,263,622	0.3	-	-	-	408	281,932	0.2	-	-	-
Subtotal	18,943	15,478,040	5.1	4,459	20,521,857	8.1	19,432	14,748,226	4.1	4,438	16,970,895	6.3	21,384	16,082,731	4.3	6,104	22,493,423	8.3	5,466	3,944,892	2.9	2,179	7,925,257	7.2
Chemicals ⁽²⁾																								
- Polyester	12	41,738	0.0	-	-	-	15	68,197	0.0	-	-	-	15	68,541	0.0	24	128,808	0.0	6	18,809	0.0	17	106,272	0.1
- Aromatics	122	810,856	0.3	-	-	-	349	2,504,831	0.7	-	-	-	262	1,508,531	0.4	-	-	-	64	424,507	0.3	9	85,956	0.1
- Rubber	98	949,134	0.3	2	23,518	0.0	23	296,839	0.1	-	-	-	50	704,034	0.2	1	11,803	0.0	15	201,926	0.1	-	-	-
- Other chemical product	262	1,479,349	0.5	3	26,841	0.0	382	2,148,238	0.6	4	30,500	0.0	264	1,695,104	0.5	2	8,629	0.0	53	386,777	0.3	6	40,926	0.0
Subtotal	494	3,281,077	1.1	5	50,359	0.0	769	5,018,105	1.4	4	30,500	0.0	591	3,976,210	1.1	27	149,240	0.1	138	1,032,019	0.8	32	233,154	0.2
Non-ferrous metals	12	237,358	0.1	-	-	-	5	116,021	0.0	-	-	-	2	116,721	0.0	-	-	-	2	61,453	0.0	-	-	-
Other commodities ⁽³⁾	19	15,909	0.0	-	-	-	33	153,099	0.0	-	-	-	30	113,771	0.0	-	-	-	1	12,684	0.0	-	-	-
Total	19,468	19,012,384	6.3	4,464	20,572,216	8.2	20,239	20,035,451	5.5	4,442	17,001,395	6.3	22,007	20,289,433	5.4	6,131	22,642,664	8.4	5,607	5,051,048	3.7	2,211	8,158,412	7.4

Notes:

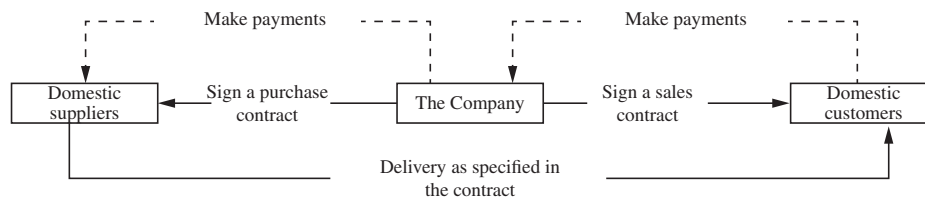
- (1) During the Track Record Period, we primarily imported (i) ferrous metals and steelmaking raw materials from Australia, Brazil, (ii) chemicals from South Korea, Thailand, (iii) non-ferrous metals from Chile, Tanzania, and (iv) other commodities from Brazil and Pakistan.
- (2) During the Track Record Period, we primarily exported (i) ferrous metals and steelmaking raw materials to Turkey, Indonesia, Saudi Arabia and (ii) chemicals to Algeria and India.
- (3) Other commodities primarily include agricultural products such as sugar and cotton.

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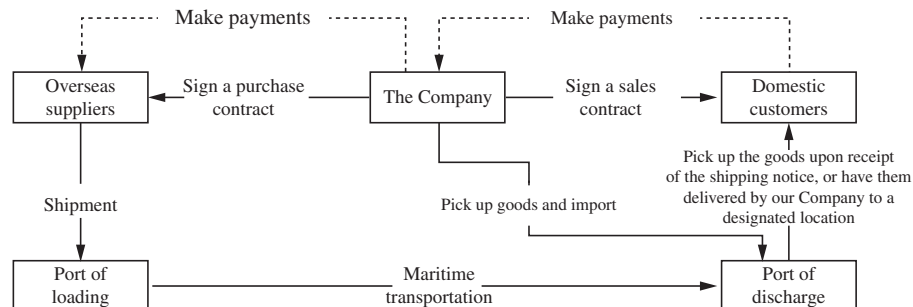
We conducted our commodity trading business primarily through four trading models during the Track Record Period, including (i) domestic trading, under which we source and distribute commodities within Chinese Mainland; (ii) import trading, under which we source commodities from overseas suppliers and distribute them to customers within Chinese Mainland; (iii) export trading, under which we source commodities from suppliers within Chinese Mainland and distribute them to overseas customers; and (iv) triangular trading, under which both procurement and distribution are conducted outside Chinese Mainland. Leveraging our extensive supplier and customer network, we are able to flexibly deploy these trading models to meet diverse sourcing and delivery needs across different commodity categories and markets. The delivery of commodities may involve various delivery arrangements, which are determined based on factors such as commodity characteristics, customer requirements and logistics efficiency. See “— Logistics and Warehousing” for details.

The following diagrams illustrate the key business flows of our domestic trading, import trading, export trading and triangular trading models, respectively.

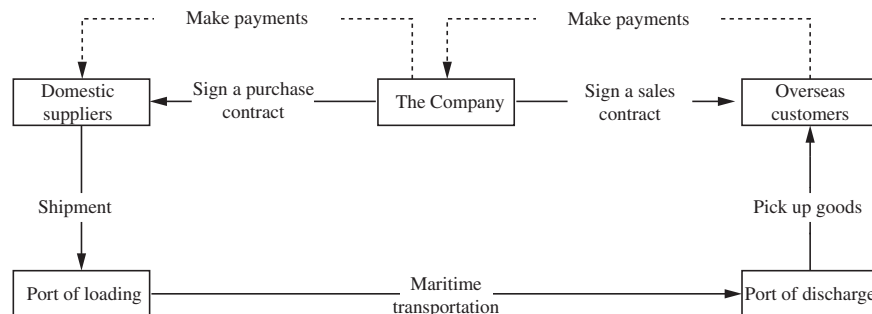
Domestic Trading



Import Trading

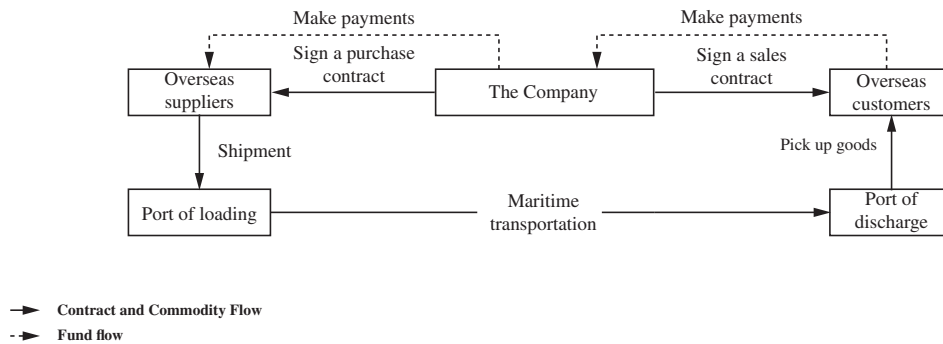


Export Trading



BUSINESS

Triangular Trading



Pricing Arrangements

We provide two pricing models to customers, namely fixed-price arrangements and floating-price arrangements.

Fixed-price Arrangements

We primarily entered into contracts with our customers under fixed-price arrangements during the Track Record Period. Under a fixed-price arrangement, we agree with our customers on a fixed price for a specified quantity and type of commodity as set out in the relevant contract. Once the price is agreed, it remains unchanged.

In determining the fixed price, we primarily reference prevailing spot and futures market prices for the relevant commodity, typically by observing intraday market prices on the relevant trading day. We also consider other relevant factors, including prevailing market demand and operating costs associated with fulfilling the contract, such as logistics expenses.

Floating-price Arrangements

We also enter into floating-price arrangements with our customers to meet their liquidity needs by allowing pricing to be determined at a later stage, thereby simplifying price negotiation processes.

Under a floating-price arrangement, we agree with our customers on a pricing mechanism under which the final price consists of (i) a floating base price and (ii) an agreed premium, for a specified quantity and type of commodity as set out in the relevant contract. The contract clearly specifies that the floating base price will be determined at a later time within an agreed pricing window, which sets out the latest time by which pricing must be completed.

The floating base price is determined during the pricing window by reference to (i) an observable and prevailing market price in the relevant futures market, (ii) an applicable spot price index published by an independent third-party data provider, or (iii) the pricing terms of our corresponding upstream long-term supply or pricing arrangements, where applicable.

To determine the premium, we primarily take into account a variety of factors, including prevailing market demand and operating costs associated with fulfilling the contract, such as logistics expenses.

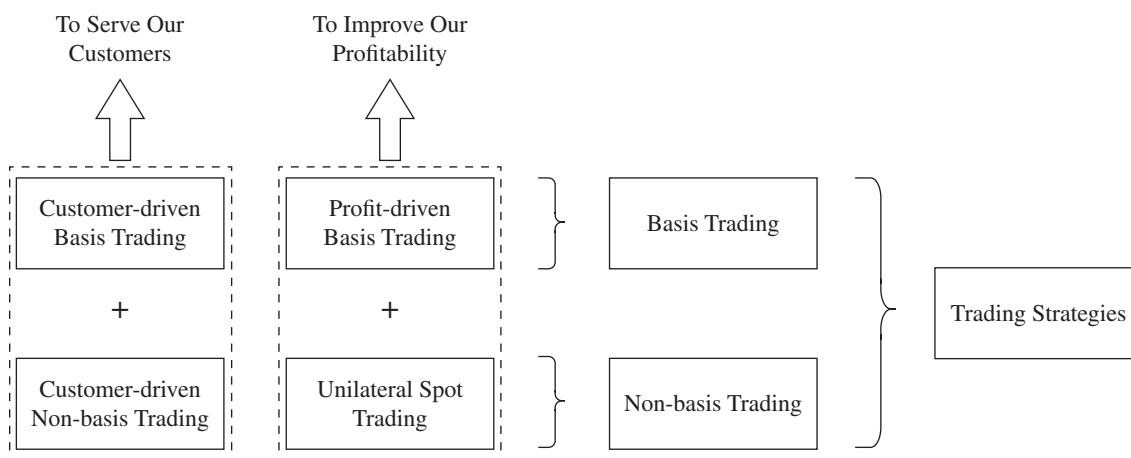
BUSINESS

Trading Strategies

We have developed various trading strategies in our daily commodity trading activities, including (i) customer-driven basis trading, (ii) customer-driven non-basis trading, (iii) profit-driven basis trading, and (iv) unilateral spot trading. Approximately over 70% of our trading value from commodity trading was generated through basis trading during the Track Record Period.

Customer-driven basis trading and customer-driven non-basis trading are generally conducted to meet customer requests. We first enter into contracts with customers, under which customers may choose either fixed-price arrangements or floating-price arrangements. Pricing under each arrangement is determined after taking into account the relevant factors disclosed in “— Pricing Arrangements.” During the course of contract execution, we determine the appropriate trading strategies and dynamically adjust such strategies based on market conditions and commodity price movements. Conversely, profit-driven basis trading and unilateral spot trading are generally conducted in order to capture market opportunities and enhance profitability.

The following diagram illustrates the structure of our trading strategies:



Customer-driven Basis Trading

During the Track Record Period, we apply derivative instruments, primarily futures contracts, to the majority of our spot commodity trading, forming our basis trading. All of our futures trading was conducted on licensed futures exchanges. Customer-driven basis trading is primarily subject to credit risk, logistics risk and commodity price risk. See “— Risk Management — Credit Risk Management,” “— Risk Management — Logistics Risk Management” and “— Risk Management — Price Risk Management” for further details regarding the relevant risk management measures.

We adopt basis trading primarily to address diverse customer needs. In practice, in response to customer requirements, we enter into a purchase or sales contract before securing a corresponding counterparty. In the absence of fully matched procurement and sales arrangements, we are exposed to spot price volatility. To manage such exposure, we enter into futures contracts in the opposite direction in the same or a related commodity and for a corresponding quantity to our spot position, so that price movements in one position are largely offset by those in the other. When we subsequently enter into the corresponding purchase or sales contract, we close out the relevant futures position. As a result, our risk exposure is primarily the changes in the basis, which are typically less pronounced than outright movements in spot prices.

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In addition, our customers often require flexible pricing arrangements, such as pricing before or after delivery or locking in prices for future delivery. Basis trading enables us to accommodate such flexibility by allowing customers to fix prices and take delivery at different times, while maintaining control over our pricing risk. As a result, we conduct basis trading to provide pricing flexibility while ensuring a stable supply of commodities that meets customers’ required timing, quality standards and specifications. Such basis trading arrangements, which are undertaken to accommodate customers’ pricing preferences and procurement needs, are customer-driven in nature. See “— Case Study I” below for further details on how we use basis trading to serve customers’ requirements for flexible pricing arrangements by enabling them to lock in prices in advance.

Customer-driven Non-Basis Trading

In customer-driven non-basis trading, we conduct spot commodity trading without using derivatives instruments to address customers’ needs for price and volume certainty.

In most cases, we respond to downstream customers’ purchase requests by entering into sales contracts for specified quantities and types of commodities to be delivered within an agreed timeframe. We subsequently select suitable suppliers, enter into procurement agreements with such suppliers, and procure the required commodities to fulfill customer demands. To a lesser extent, where we have visibility on downstream demand, we may first enter into purchase contracts with suppliers to secure specified commodities and then enter into separate sales contracts with customers for distribution.

Under this trading strategy, we coordinate warehousing, logistics and delivery as required and are primarily subject to credit risk and logistics risk. See “— Risk Management — Credit Risk Management” and “— Risk Management — Logistics Risk Management” for further details regarding the relevant risk management measures.

Profit-driven Basis Trading

Leveraging our basis trading capabilities, we may also conduct profit-driven basis trading. Unlike customer-driven basis trading, which is primarily conducted to accommodate customers’ flexible pricing requirements, profit-driven basis trading is primarily conducted when we identify profit opportunities arising from movements in the basis in connection with our commodity trading activities, regardless of whether customers require flexible pricing arrangements. Profit-driven basis trading is primarily subject to credit risk, logistics risk and commodity price risk. See “— Risk Management — Credit Risk Management,” “— Risk Management — Logistics Risk Management” and “— Risk Management — Price Risk Management” for further details regarding the relevant risk management measures.

Based on our industry research, we monitor basis movement (i) across different regions and markets, (ii) between spot and futures prices, and (iii) among related commodities. When we identify profit opportunities arising from movements in the basis, we may conduct profit-driven basis trading. In such cases, we enter into spot contracts to purchase or sell specified types and quantities of commodities, and concurrently establish an offsetting futures position in the same or a related commodity. As the basis reverts to a level we consider within a reasonable range, we close out the spot position and the corresponding futures position concurrently, thereby locking in the basis spread and securing the expected margin. Please see “— Case Study II” below for further details on how we use basis trading to improve profitability.

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Unilateral Spot Trading

Through unilateral spot trading, we primarily purchase or sell physical commodities on the spot market when our industry research identify favorable price trends, and we subsequently sell or purchase such commodities after holding them for a period of time as appropriate. Unilateral spot trading is primarily subject to credit risk, logistics risk and commodity price risk, and we manage such risks through various risk management measures, as detailed in “— Risk Management — Credit Risk Management,” “— Risk Management — Logistics Risk Management” and “— Risk Management — Price Risk Management.”

Case Study I

The following hypothetical case study illustrates how basis trading is applied in practice. This example is for illustration purposes only and does not represent actual transactions.

Background: We enter into a forward supply arrangement for steel products. The customer seeks a fixed-price arrangement for supply of a fixed quantity of steel products to be delivered after a three-month period, enabling it to secure a stable supply of steel without assuming the risk associated with potential increases in steel prices. To meet this demand, we agree to supply a total of 1,000 tons of steel, to be delivered after three months, at a pre-agreed fixed price of RMB3,500 per ton.

Trading details: *Establishment of the basis position*

Upon entering into the fixed-price forward supply agreement, and in order to hedge the risk of rising spot prices that could increase our procurement costs, we purchase a corresponding steel futures contract of 1,000 tons.

- Spot price (P_0): RMB3,500 per ton (as specified in the fixed-price forward supply agreement)
- Futures price (F_0): The steel futures contract (2510) on the Shanghai Futures Exchange was trading at RMB3,300 per ton
- Basis (B_0) (i.e., $P_0 - F_0$): RMB3,500 – RMB3,300 = RMB200 per ton

Closing of the basis position

After three months, in order to fulfill our delivery obligation, we purchase the required 1,000 tons of steel products at an average price of RMB3,650 per ton in the spot market and deliver the products to the customer.

Simultaneously, we sell 1,000 tons of our futures contract, thereby realizing and locking in the gain or loss on the futures leg.

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The following summarizes the trading details relevant to the closing of the basis position:

- Spot price (P_1): RMB3,650 per ton
- Futures price (F_1): The steel futures contract (2510) on the Shanghai Futures Exchange is trading at RMB3,600 per ton
- Basis (B_1) (i.e., $P_1 - F_1$): RMB3,650 – RMB3,600 = RMB50 per ton

Analysis *Net result*

- $B_0 - B_1$ = net gains of RMB150 per ton

Illustration: Without basis trading, our financial results would have been determined solely by movements in spot prices. In particular, under a fixed-pricing arrangement, our exposure could become increasingly adverse if spot prices were to rise consistently, as we would be unable to pass such price increases through to customers. As a result, we may be less willing or unable to provide such fixed-price supply arrangements to serve customers.

By contrast, under basis trading, we are able to convert exposure to absolute spot price fluctuations into exposure to basis movements in a more predictable measure, thereby allowing us to serve customers’ diversified needs.

However, basis trading involves inherent risks. In Case Study 1, we would incur a loss if the basis at the time we close the position (B_1) exceeds the initial basis of RMB200 per ton (B_0). This may occur even if both spot and futures prices decline, where the futures price declines more than the spot price. For example, if the spot price declines to RMB3,400 per ton and the futures price declines to RMB3,100 per ton, the basis would widen to RMB300 per ton. In such case, the RMB100 per ton gain from purchasing steel below the fixed selling price would be more than offset by the RMB200 per ton loss on the futures contract, resulting in a net loss of RMB100 per ton.

Before entering into a basis trade, we assess market conditions and formulate a trading strategy and loss budget. If the basis moves against us and the loss reaches a predetermined risk threshold, we reassess the transaction and may take measures to limit further losses within the relevant authorization limits, including restricting exposure expansion, adjusting trading strategies or suspending further trading activities. See “— Risk Management — Price Risk Management” and “Risk Factors — Risks Relating to Our Business and Industry — Our basis trading is exposed to market, operational and credit risks” for more details.

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In addition, for similar customer requests as described in Case 1, where the futures price (F_0) is higher than the spot price (P_0), we compare the futures price (F_0) with our total cost, which includes (i) the current spot price (P_0) of the requested commodities, (ii) financing cost, and (iii) other miscellaneous costs. If the F_0 is equal to or lower than our total cost, we generally proceed as disclosed above in trading details in Case 1. If the F_0 exceeds our total cost, we will usually procure the requested commodities at the prevailing spot price, hold the spot commodities as inventory and deliver at a later stage to secure a margin. In such circumstances, we procure spot commodities at the spot price, thereby fixing our cost and generally eliminating spot price exposure, and no futures hedging is required.

Case Study II

The following hypothetical case study illustrates how basis trading is applied in practice. This example is for illustration purposes only and does not represent actual transactions.

Background: We identified a temporary regional price spread for rebar between different regions in China, under which spot prices in Southern China were RMB3,200 per ton, while spot prices in Northern China were RMB3,000 per ton. To capture this trading opportunity, we purchased 100 tons of rebar in the spot market from the Northern China and planned to transport the rebar to Southern China, at a transportation cost of RMB100 per ton, for sale in the Southern China market.

As the transportation of rebar to the destination market requires time, we are exposed to spot price fluctuation risk before we sell the rebar in transit. To hedge this exposure and stabilize our expected margin, we conduct a basis trading.

Trading details: ***Establishment of the basis position***

On December 1, 2025, we purchased 100 tons of rebar in the spot market in Northern China, and simultaneously sold an equivalent quantity of rebar futures contract, in anticipation of a narrowing in basis. By doing so, we locked in an initial basis position.

The following summarizes the trading details relevant to the establishment of the basis position:

- Spot price (P_0) in Northern China: RMB3,000 per ton
- Futures price (F_0): The rebar futures contract (2605) on the Shanghai Futures Exchange was trading at RMB3,150 per ton
- Basis (B_0) (i.e., $P_0 - F_0$): RMB3,000 - RMB3,150 = -RMB150 per ton

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Closing of the basis position

On December 25, 2025, we sold 100 tons of rebar in the spot market in Southern China, and simultaneously purchased an equivalent quantity of rebar futures contract. By doing so, we unwound the basis position and exited the related futures exposure.

The following summarizes the trading details relevant to the closing of the basis position:

- Spot price (P_1) in Southern China: RMB3,100 per ton
- Futures price (F_1): The rebar futures contract (2605) on the Shanghai Futures Exchange was trading at RMB3,100 per ton
- Basis (B_1) (i.e., $P_1 - F_1$): RMB3,100 – RMB3,100 = RMB0 per ton

Analysis ***Net result***

- $B_1 - B_0$ – transportation cost = net gains of RMB50 per ton

Illustration: Without basis trading, our transaction outcome would have been driven solely by spot price movements in Southern China during the transportation period. In particular, if spot price in Southern China declined to or below our purchase price in Northern China before transportation was completed, our expected margin would be reduced or eliminated, and we could potentially incur losses on the transaction. In addition, due to the uncertainty in spot price movements in Southern China during the transportation period, we would typically adopt a more conservative approach to trading volume in order to limit risk exposure, thereby restricting our ability to scale up trading activities.

With basis trading, exposure to changes in spot price in Southern China are transformed into exposure to changes in basis, which we are better positioned to analyze based on our industry research and market assessment. We believe that basis fluctuations are generally more stable and observable than spot price movements, and are typically expected to remain within a range that supports the targeted transaction margin. As a result, basis trading enables us to better secure profit margins while reducing uncertainty during the transportation period, and, at the same time, allows us to scale up trading volume without proportionately increasing our exposure to adverse price movements.

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In Case Study 2, after taking into account the transportation cost of RMB100 per ton, we would incur a loss if the basis at the time we close the position (B_1) is lower than negative RMB50 per ton. This may occur where both spot and futures prices decline, but the spot price in Southern China declines more than the futures price. For example, if the spot price declines to RMB3,000 per ton and the futures price declines to RMB3,100 per ton, B_1 would be negative RMB100 per ton. In such case, the RMB50 per ton gain on the futures contract would be insufficient to cover the transportation cost of RMB100 per ton, resulting in a net loss of RMB50 per ton.

Before entering into a basis trade, we assess market conditions and formulate a trading method and loss budget. If the basis moves against us and the loss reaches a predetermined risk threshold, we reassess the transaction and may take measures to limit further losses within the relevant authorization limits, including restricting exposure expansion, adjusting trading methods or suspending further trading activities. See “— Risk Management — Price Risk Management” for more details.

Other Businesses

Supply Chain Services

To address customers’ end-to-end needs arising from commodity trading, we arrange logistics, transport commodities by rail, truck and sea, store and process them, and deliver them in accordance with our customers’ required timing, quality standards and specifications. We charge fixed or variable service fees depending on the scope and nature of services provided.

Consulting Services

We also provide consulting services to customers to help them manage operations, including:

- *Procurement.* We advise customers on what volumes to procure, when to procure, how frequently to replenish, and how to structure procurement prices and timing to align with their operational needs and market conditions.
- *Inventory.* We advise customers on inventory level planning based on expected demand and market conditions, and on managing exposure to inventory value fluctuations.
- *Production.* We also advise customers on production planning by managing procurement and sales pricing to help lock in order profitability and improve capacity utilization.
- *Orders.* We advise customers’ procurement based on their downstream sales orders, aligning upstream purchasing plans, timing and pricing with downstream delivery and pricing commitments, thereby helping manage procurement costs and execution risks.
- *Sales.* We advise customers on structuring pricing terms and price-adjustment mechanisms in their downstream sales contracts and orders, helping them maintain negotiation flexibility and reduce the risk of disputes or non-performance during periods of significant market movements.

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SALES AND DISTRIBUTION NETWORK

During the Track Record Period, we generated most of our revenue from commodity distribution in China. We also expanded our sales and distribution network globally, including to the Middle East, Europe, and North and South America.

Our Customers

During the Track Record Period, our customers primarily consist of trading companies and companies across a wide range of industries, including industrial manufacturers and construction companies. We primarily conduct sales to customers through our in-house sales teams, which are organized by commodity type and maintain close and ongoing engagement with customers.

Our sales personnel are primarily responsible for developing new customers and maintaining communication with existing customers to understand their needs and feedback. We primarily adopt a targeted, customer-centric approach to customer development and relationship management, engaging with customers on a one-on-one basis. In addition, we actively participate in industry conferences, forums and professional events, which primarily serve as platforms for maintaining customer relationships, strengthening industry engagement and enhancing mutual understanding with existing and potential customers. These interactions, together with customer referrals and introductions, support the continuous expansion of our customer base.

Our sales teams work closely with customers throughout the transaction process, including understanding procurement needs, coordinating delivery arrangements and providing tailored support to customers’ operational requirements.

Sales to Trading Companies

Consistent with industry practice, we sell commodities to trading companies both in China and overseas. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue from trading companies amounted to RMB190,871.7 million, RMB204,344.6 million, RMB196,667.6 million, and RMB73,263.3 million, respectively, representing 76.2%, 75.7%, 72.7% and 66.5% of our revenue from commodity trading, respectively. We maintain seller-buyer relationships with trading company customers.

The following table sets forth the movement in the number of our trading company customers for the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,
	2023	2024	2025	2026
As of the beginning of the period	7,225	13,334	14,964	15,215
Additions of new trading company customers	9,564	8,357	7,075	3,157
Decreases of trading company customers	(3,455)	(6,727)	(6,824)	(10,008)
As of the end of the period . . .	<u>13,334</u>	<u>14,964</u>	<u>15,215</u>	<u>8,364</u>

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We discontinued transactions with certain trading companies during the Track Record Period, primarily due to changes in demand or preferences of the relevant end customers. As the trading companies that transact with us are typically selected by end customers based on their own procurement needs and internal criteria, trading companies with which we transact may vary from time to time in line with evolving requirements of end customers.

Although trading companies are not our end customers, we do not believe that our transactions with them fall within the scope of distributorship. These trading companies are not distributors engaged to expand our sales channels; instead, their purchases are driven by actual demand. Specifically, they are typically selected by end customers to procure products on their behalf or to purchase when they identify demand or anticipate such demand from their customers. Since our transactions with these trading companies are based on the real demand from end customers, we do not believe that our relationship with them raises concerns related to channel stuffing, cannibalization, or the recoverability of accounts receivable. As a result, we do not apply selection criteria before engaging in transactions with them, nor do we manage them as distributors.

In addition, we generally do not enter into distribution or long-term agreements with these trading companies. Instead, we enter into sales and purchase agreements each time they place an order, with the terms largely consistent with those applied to other customers. These agreements specify the weight, specifications, pricing terms, payment, and delivery methods for each batch of commodities. We do not impose minimum sales targets or set mandatory selling prices for the trading companies when they resell to end customers. In addition, these trading companies are not required to provide us with, any information regarding their sales, inventory levels, whether they are reselling our products to their customers, and their customers’ demand for our products.

According to Frost & Sullivan, the business model we adopted for our transaction with our trading company customers is not deemed as distributorship in the commodity trading industry, and it is in line with the industry practice not to have control over the business operation of such customers.

Principle Contractual Terms with Customers

We typically enter into a standard sales and purchase agreement with our customers. Key contractual terms of our agreements with our customers include the following:

- ***Payment and credit terms.*** We generally request the payment in advance before delivery except for certain customers that we may offer a credit period based on their creditworthiness, with the majority of such credit periods being within two months. We also accept payments by bank acceptance notes, letters of credit and telegraphic transfers.
- ***Sales restriction.*** We do not impose geographical restriction or other sales restriction.
- ***Sales target and minimum purchase requirement.*** We do not set sales target or minimum purchase requirements.
- ***Pricing.*** We sell products to customers at an agreed price.
- ***Product return policy.*** We generally do not allow our customers to return products to us except in limited circumstances such as product defects.
- ***Transfer of risks.*** Delivery is generally deemed completed upon the issuance of a delivery order to the customer, at which point the ownership and risks of the goods are transferred to the customer. In cases where we are responsible for delivery to a designated location, the risks of the goods are transferred to the customer upon the goods being handed over to the customer or the first carrier designated by the customer.
- ***Termination.*** The contract may be terminated upon mutual written agreement.

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Major Customers

In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue generated from our five largest customers in each period during the Track Record Period amounted to RMB20,854.0 million, RMB23,348.5 million, RMB26,465.4 million and RMB12,959.0 million, respectively, accounting for 8.3%, 8.6%, 9.8% and 11.7% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 2.1%, 2.4%, 3.1% and 4.9% of our total revenue, respectively.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers. All of our five largest customers during each period of the Track Record Period were Independent Third Parties.

The following table sets forth details of our five largest customers in each period during the Track Record Period:

Rank	Customer	Revenue Amount (RMB'000)	Percentage of Total Revenue (%)	Products Purchased	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2023</i>							
1 . .	Customer A ⁽¹⁾	5,189,559	2.1	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2010 and before
2 . .	Customer B ⁽²⁾	5,111,936	2.0	Ferrous metals and steelmaking raw materials, chemicals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to two days, depending on the transaction	2011
3 . .	Customer C ⁽³⁾	3,939,569	1.6	Non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2023
4 . .	Customer D ⁽⁴⁾	3,337,444	1.3	Non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2023
5 . .	Customer E ⁽⁵⁾	3,275,467	1.3	Ferrous metals and steelmaking raw materials, and chemicals	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2011
Total.		20,853,975	8.3				

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Rank	Customer	Revenue Amount (RMB'000)	Percentage of Total Revenue (%)	Products Purchased	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2024</i>							
1 . .	Customer A ⁽¹⁾	6,447,858	2.4	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2010 and before
2 . .	Customer C ⁽³⁾	4,813,696	1.8	Non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2023
3 . .	Customer B ⁽²⁾	4,329,125	1.6	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to two days, depending on the transaction	2011
4 . .	Customer D ⁽⁴⁾	3,961,049	1.5	Non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2023
5 . .	Customer F ⁽⁶⁾	3,796,810	1.4	Chemicals	Telegraphic transfers and bank acceptance notes	Generally cash-on-delivery	2016
Total.		23,348,537	8.6				

Rank	Customer	Revenue Amount (RMB'000)	Percentage of Total Revenue (%)	Products Purchased	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2025</i>							
1 . .	Customer G ⁽⁷⁾	8,436,677	3.1	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, or cash-on-delivery, depending on the transaction	2013
2 . .	Customer A ⁽¹⁾	6,108,445	2.3	Ferrous metals and steelmaking raw materials, chemicals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2010 and before
3 . .	Customer F ⁽⁶⁾	5,438,779	2.0	Chemicals	Telegraphic transfers and bank acceptance notes	Generally cash-on-delivery	2016
4 . .	Customer B ⁽²⁾	3,585,153	1.3	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and other raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to two days, depending on the transaction	2011
5 . .	Customer H ⁽⁸⁾	2,896,328	1.1	Chemicals and other raw materials	Telegraphic transfers and bank acceptance notes	Generally cash-on-delivery	2011
Total.		26,465,382	9.8				

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Rank	Customer	Revenue Amount (RMB'000)	Percentage of Total Revenue (%)	Products Purchased	Payment Method	Credit Term	Business Relationship Since
<i>Five Months Ended May 31, 2026</i>							
1 . .	Customer G	5,447,312	4.9	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, or cash-on-delivery, depending on the transaction	2013
2 . .	Customer B	2,495,131	2.3	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and others	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to two days, depending on the transaction	2011
3 . .	Customer A	1,871,817	1.7	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and others	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2010 and before
4 . .	Customer H	1,750,694	1.6	Chemicals	Telegraphic transfers and bank acceptance notes	Generally cash-on delivery	2011
5 . .	Customer E	1,394,016	1.3	Ferrous metals and steelmaking raw materials, chemicals and others	Telegraphic transfers and bank acceptance notes	Deposit, prepayment, cash-on-delivery or short-term credit up to three days, depending on the transaction	2011
Total.		12,958,970	11.7				

Notes:

- (1) Customer A is a state-owned company headquartered in Zhejiang, China, and primarily engaged in commodity trading and supply chain management, including metals, coal, chemicals and automobiles. Its shares are listed on the Shanghai Stock Exchange.
- (2) Customer B is a state-owned company headquartered in Fujian, China, and primarily engaged in commodity trading and integrated supply chain services, including ferrous and non-ferrous metals, energy, chemicals and agricultural products. Its shares are listed on the Shanghai Stock Exchange.
- (3) Customer C is a state-owned company headquartered in Jiangxi, China, and primarily engaged in non-ferrous metals mining, smelting, processing and related trading. Its shares are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.
- (4) Customer D is a private company headquartered in Zhejiang, China, and primarily engaged in the manufacturing and processing of copper and copper alloy products. Its shares are listed on the Shanghai Stock Exchange.
- (5) Customer E is a state-owned company headquartered in Zhejiang, China, and primarily engaged in commodity supply chain services, focusing on ferrous metals and energy chemicals. Its shares are listed on the Shenzhen Stock Exchange.
- (6) Customer F is a private company headquartered in Zhejiang, China, and primarily engaged in the manufacturing of polyester and chemical fiber products. Its shares are listed on the Shanghai Stock Exchange.
- (7) Customer G is a company headquartered in Tianjin, China, and primarily engaged in the manufacturing of welded steel pipes. Its shares are listed on the Shanghai Stock Exchange.
- (8) Customer H is a private company headquartered in Beijing, China, and primarily engaged in commodity trading and supply chain services, including energy, chemicals, metals and agricultural products.

BUSINESS

INDUSTRY RESEARCH

Our Research Force

We established our research team in 2015 to integrate research with day-to-day operations and to embed research-driven decision-making across our trading activities.

Our research capabilities are embedded across our organization. While a dedicated team focuses on developing research frameworks, a significant portion of our research personnel is deployed across our various departments to participate deeply in day-to-day business operations. This structure ensures close integration between our research activities and our routine business operations. As of May 31, 2026, we had 191 employees specialized in industry research, approximately 74% of whom held a master’s degree or above.

Our Research Mechanism

Our Industry database

We have developed a proprietary industry database that we update daily to provide timely insights into market trends and industry developments. The database integrates proprietary data generated and accumulated through our day-to-day trading activities across upstream, midstream and downstream segments of the industry value chain—covering order intake, production scheduling, sales and inventory data—with data from publicly accessible sources and reputable third-party providers, including Mysteel Data, Shanghai Metals Market, Fubao Information and Wind Information.

Research Methodology

Our research methodology is grounded in three analytical frameworks, including (i) macroeconomic modeling, which analyzes global economic trends and their impact on commodity markets; (ii) industry behavior tracking, which monitors shifts in market dynamics and the behavior of key industry participants; and (iii) global and regional supply-and-demand simulations, which forecast price movements and commodity availability across markets with a focus on supply-demand balance.

Research Focus

Our research focuses on identifying and analyzing pricing differences (i) across regions and markets, (ii) across different stages of the industry value chain to reflect upstream and downstream dynamics for specific commodities, and (iii) across time between futures and spot prices.

In assessing basis opportunities, we also place emphasis on both margin of safety and underlying market drivers. Specifically,

- **Margin of safety.** In assessing our margin of safety, which represents the downside boundary of basis fluctuations, we primarily focus on (i) valuation metrics relevant to each commodity, including upstream production margins, cost comparisons between domestic supply and imported alternatives, inter-product price differentials, and downstream processing margins, as well as (ii) potential gains or costs arising from the structure and rollover of futures contracts.
- **Market drivers.** We analyze market drivers of basis movements, distinguishing between (i) long-term structural drivers, such as industry cycles and capacity dynamics, and (ii) short-term drivers, including production utilization rates and demand conditions.

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Our Research-Driven Trading

Our research team closely collaborates with our business departments to ensure that research insights are integrated into daily trading decisions. We have established several mechanisms to facilitate the effective collaboration between research and business operations:

- ***Data and reporting services.*** Research staff share daily and weekly reports, as well as real-time data updates, with business departments, enabling them to access insights and seek further guidance when needed.
- ***Integration in daily operations.*** Research staff collaborate with business departments to evaluate strategies before execution, monitor performance throughout the trading process, and conduct post-trade reviews for continuous improvement.
- ***Weekly coordination meetings.*** Research staff provide updates on domestic and international market trends, delivering actionable insights that directly inform our operational strategies.
- ***Trading strategy assessment.*** Our research staff conduct weekly assessment of our trading strategies and price risk exposures within approved exposure limits, based on updated market research and analysis.

OUR SUPPLIERS

Supplier Management

We work with suppliers that demonstrate strong capabilities and sound reputations, supporting long-term cooperation. We have established a stringent supplier admission mechanism, and new suppliers must meet our entry standards before we engage with them. For suppliers that require advance payments, we apply a control framework for advance payment limits, supported by qualification reviews, credit assessments and on-site evaluations to assess supplier strength and determine prudently whether to grant such limits. For existing suppliers, we combine ongoing monitoring with periodic assessments. We place underperforming suppliers or those with reputational concerns on blacklists or gray lists and manage them under a tiered system.

During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our procurement that materially affected our operations.

Principle Contractual Terms with Commodity Suppliers

Key contractual terms of our agreements with our commodity suppliers include the following:

- ***Payment and credit terms:*** For purchases where payment is settled after delivery, payment is generally made within one month after confirming receipt of the goods. For purchases settled on a prepayment basis, payment is generally made prior to delivery of the goods.
- ***Product specifications:*** The agreements specify key product information, including commodity type, specifications, grade, quantity, and unit price.
- ***Logistics:*** Suppliers are required to deliver goods in accordance with our written instructions.
- ***Transfer of risks:*** Suppliers are responsible for the goods until delivery is completed in accordance with the agreed terms. Any losses or risks arising from improper delivery are borne by the suppliers.

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- **Quality Assurance:** Suppliers are required to provide products that comply with applicable quality requirements and relevant quality certificates, where applicable.
- **Termination:** We may, depending on the circumstances, terminate the contract and claim damages where the supplier fails to perform its obligations.

Major Suppliers

Our suppliers primarily comprise large steel mills, mining companies, coking plants, chemical manufacturers and major commodity trading companies based in China. In 2023, 2024, 2025 and the five months ended May 31, 2026, purchases from our five largest suppliers in each period during the Track Record Period amounted to RMB32,703.8 million, RMB36,723.3 million, RMB39,568.1 million and RMB17,795.9 million, respectively, representing 10.8%, 10.1%, 10.6% and 13.0% of our total purchases, respectively. In addition, purchases from our largest supplier in each period during the Track Record Period accounted for 3.1%, 2.2%, 2.3% and 3.7% of our total purchases in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

During the Track Record Period, none of our Directors, their respective associates, nor any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in any of our five largest suppliers. All of our five largest suppliers during each period of the Track Record Period were Independent Third Parties.

The following table sets forth details of our five largest suppliers in each period during the Track Record Period:

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Provided	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2023</i>							
1 . .	Supplier A ⁽¹⁾	9,412,445	3.1	Ferrous metals and steelmaking raw materials and chemicals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2012
2 . .	Supplier B ⁽²⁾	8,978,529	3.0	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2010 and before
3 . .	Supplier C ⁽³⁾	5,455,687	1.8	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2010 and before
4 . .	Supplier D ⁽⁴⁾	4,670,706	1.5	Ferrous metals and steelmaking raw materials and non-ferrous metals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2012
5 . .	Supplier E ⁽⁵⁾	4,186,465	1.4	Ferrous metals and steelmaking raw materials	Letters of credit	Generally prepayment prior to delivery	2011
Total.		32,703,833	10.8				

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Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Provided	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2024</i>							
1 . .	Supplier F ⁽⁶⁾	7,818,687	2.2	Chemicals	Telegraphic transfers and bank acceptance notes	Prepayment, or payment upon delivery, depending on the transaction	2019
2 . .	Supplier B ⁽²⁾	7,742,969	2.1	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2010 and before
3 . .	Supplier G ⁽⁷⁾	7,402,704	2.0	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and others	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2010 and before
4 . .	Supplier A ⁽¹⁾	7,385,171	2.0	Ferrous metals and steelmaking raw materials and chemicals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2012
5 . .	Supplier C ⁽³⁾	6,373,810	1.8	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2010 and before
Total.		36,723,343	10.1				

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Provided	Payment Method	Credit Term	Business Relationship Since
<i>Year Ended December 31, 2025</i>							
1 . .	Supplier H ⁽⁸⁾	8,763,016	2.3	Ferrous metals and steelmaking raw materials, chemicals and non-ferrous metals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2011
2 . .	Supplier G ⁽⁷⁾	8,420,673	2.3	Ferrous metals and steelmaking raw materials, chemicals, non-ferrous metals and others	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2010 and before
3 . .	Supplier I ⁽⁹⁾	7,818,375	2.1	Chemicals and non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally payment upon delivery	2023
4 . .	Supplier F ⁽⁶⁾	7,565,813	2.0	Ferrous metals and steelmaking raw materials and chemicals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2019
5 . .	Supplier B ⁽²⁾	7,000,266	1.9	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2010 and before
Total.		39,568,144	10.6				

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Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Products Provided	Payment Method	Credit Term	Business Relationship Since
<i>Five Months Ended May 31, 2026</i>							
1 . .	Supplier I	4,985,715	3.7	Chemicals and non-ferrous metals	Telegraphic transfers and bank acceptance notes	Generally payment upon delivery	2023
2 . .	Supplier H	3,641,251	2.7	Ferrous metals and steelmaking raw materials and chemicals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2011
3 . .	Supplier F	3,475,487	2.5	Ferrous metals and steelmaking raw materials and chemicals	Telegraphic transfers and bank acceptance notes	Prepayment or payment upon delivery, depending on the transaction	2019
4 . .	Supplier G	2,927,403	2.1	Ferrous metals and steelmaking raw materials, chemicals and others	Telegraphic transfers and bank acceptance notes	Generally prepayment prior to delivery	2010 and before
5 . .	Supplier J	2,766,005	2.0	Ferrous metals and steelmaking raw materials	Telegraphic transfers and bank acceptance notes	Deposit or prepayment, depending on the transaction	2014
Total.		17,795,861	13.0				

Notes:

- (1) Supplier A is a private company headquartered in Hebei, China, and primarily engaged in steel manufacturing and processing.
- (2) Supplier B is a state-owned company headquartered in Shanghai, China, and primarily engaged in steel manufacturing and commodity trading.
- (3) Supplier C is a state-owned company headquartered in Liaoning, China, and primarily engaged in steel manufacturing and vanadium and titanium resource processing.
- (4) Supplier D is a state-owned company headquartered in Hebei, China, and primarily engaged in logistics services and commodity trading.
- (5) Supplier E is a company headquartered in Melbourne, Australia, and primarily engaged in the exploration, development and production of natural resources, including iron ore, copper and coal. Its shares are listed on the Australian Securities Exchange and the London Stock Exchange.
- (6) Supplier F is a private company headquartered in Jiangsu, China, and primarily engaged in petrochemical and chemical fiber production.
- (7) Supplier G is a state-owned company headquartered in Zhejiang, China, and primarily engaged in commodity trading and supply chain management, including metals, coal, chemicals and automobiles. Its shares are listed on the Shanghai Stock Exchange.
- (8) Supplier H is a state-owned company headquartered in Zhejiang, China, and primarily engaged in steel manufacturing and commodity trading.
- (9) Supplier I is a private company headquartered in Zhejiang, China, and primarily engaged in chemical building materials and integrated financial services.
- (10) Supplier J is a private company headquartered in Tianjin, China, and primarily engaged in steel manufacturing and processing.

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OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our top five customers were also among our suppliers, while certain of our top five suppliers were also among our customers. This overlap primarily reflects the nature of the commodities trading industry, where trading companies may act as both buyers and sellers at different points in time and across different commodity categories, depending on relative sourcing advantages, including market access, inventory positions and other prevailing market conditions. In particular, we may procure certain commodities from other trading companies when they have relative sourcing advantages, while selling other commodities to them at different times when we are able to offer relative sourcing advantages. According to Frost & Sullivan, it is common in our industry for market participants to act as both buyers and sellers under such circumstances. All sales to and purchases from these customers and suppliers were negotiated through separate processes, conducted in the ordinary course of business, and carried out on commercial terms that were negotiated at arm’s length.

Customer A/

Notes:

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- (5) Customer F, in its capacity as a supplier, mainly supplied us with chemicals. See “— Sales and Distribution Network — Major Customers” for products sold to Customer F.
- (6) Customer G, in its capacity as a supplier, mainly supplied us with ferrous metals and steelmaking raw materials. See “— Sales and Distribution Network — Major Customers” for products sold to Customer G.
- (7) Customer H, in its capacity as a supplier, mainly supplied us with chemicals and non-ferrous metals. See “— Sales and Distribution Network — Major Customers” for products sold to Customer H.
- (8) Supplier A, in its capacity as a customer, mainly purchased ferrous metals and chemicals from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier A.
- (9) Supplier B, in its capacity as a customer, mainly purchased ferrous metals and steelmaking raw materials from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier B.
- (10) Supplier C, in its capacity as a customer, mainly purchased ferrous metals and steelmaking raw materials from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier C.
- (11) Supplier D, in its capacity as a customer, mainly purchased non-ferrous metals and ferrous metals and steelmaking raw materials from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier D.
- (12) Supplier E, in its capacity as a customer, mainly purchased chemicals and ferrous metals and steelmaking raw materials from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier E.
- (13) Supplier H, in its capacity as a customer, mainly purchased ferrous metals and steelmaking raw materials, chemicals, and non-ferrous metals from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier H.
- (14) Supplier I, in its capacity as a customer, mainly purchased non-ferrous metals and chemicals from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier I.
- (15) Supplier J, in its capacity as a customer, mainly purchased ferrous metals and steelmaking raw materials from us. “— Our Suppliers — Major Suppliers” for products purchased from Supplier J.

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LOGISTICS AND WAREHOUSING

Logistics

We have established a logistics network covering road, inland waterway and maritime transportation, which supports the nationwide and cross-border execution of our commodity trading operations. Our logistics network comprises a combination of an in-house fleet and qualified third-party logistics service providers, enabling us to maintain flexibility and execution efficiency across different regions and delivery requirements. Through cooperation with qualified third-party logistics service providers, we are able to mobilize over 5,000 third-party vehicles across key logistics hubs in China, including Foshan, Hangzhou, Wuxi, and Tangshan. As of May 31, 2026, we cooperated with more than 170 logistics service providers across China.

In addition to our domestic logistics network, as of May 31, 2026, we cooperated with more than 60 overseas logistics service providers to support our commodity trading operations in major overseas markets, including the United States, continental Europe, the Mediterranean region, the Middle East, Africa and Southeast Asia, enabling the orderly and efficient execution of our overseas supply chain operations.

In practice, we may adopt one or a combination of the following delivery arrangements to facilitate the efficient movement of commodities across our trading network: (i) customers collect commodities from pick-up points designated by suppliers; (ii) commodities are delivered to locations designated by customers; and (iii) commodities are delivered to third-party warehouses or our self-operated warehouses, and are subsequently delivered to customers through self-pick-up or other agreed transportation arrangements.

To ensure service quality and operational reliability, we conduct regular evaluations of our third-party logistics providers to ensure their compliance with our quality standards and efficient delivery performance.

Principle Contractual Terms with Logistics Service Providers

Key contractual terms of our agreements with our logistics service providers include the following:

- ***Payment and credit terms:*** Payment is typically made within two months after confirming completion of the shipment.
- ***Scope of service:*** Logistics service providers are responsible for the transportation of goods in accordance with our instructions, including arranging vehicles or vessels, loading, delivery and handover at designated locations, based on agreed routes, timelines and shipment details.
- ***Quality Assurance:*** Logistics service providers are required to implement appropriate measures to prevent damage, loss or contamination of goods during transportation and shall bear the risk such damage, loss or contamination, except in limited circumstances such as force majeure.
- ***Inspection:*** Logistics service providers are required to inspect goods upon receipt and promptly notify us of any discrepancies. They are responsible for losses arising from failure to identify or report irregularities in a timely manner.
- ***Insurance:*** Logistics service providers are generally required to maintain adequate insurance coverage for transportation risks. Where applicable, they may also be required to procure cargo insurance for the benefit of us or our designated parties.

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Warehousing

We have established a warehousing network to support our commodity trading and logistics operations. As of May 31, 2026, we had over 100 self-operated warehouses used for the storage and handling of spot commodities, and cooperated with more than 1,000 third-party warehouses across China, strategically located in key logistics hubs including Tangshan, Tianjin and Shanghai, covering major commodity circulation routes. During the Track Record Period, the majority of the commodities traded by us were stored in qualified third-party warehouses.

In addition to our domestic warehousing network, we have self-operated warehouses in overseas markets including Laos, Indonesia and Thailand, and cooperated with third-party warehouses in the United States, Türkiye, Vietnam, Djibouti and the United Arab Emirates.

The warehouses are classified into four levels from A to D according to criteria such as safety, management capability, turnover efficiency, and compliance track record. We require all products to be labeled, identified and placed in their designated areas. We check for any damaged packaging before the materials are placed in our warehouses and require the materials to be placed in an orderly manner to prevent cross-contamination. We conduct regular on-site inspections and risk assessments through dedicated field staff to ensure goods product and operational reliability.

Control over Logistics and Warehousing

For commodities stored in our self-operated warehouses, we have implemented a digital management system that standardizes warehouse operations, prevents unauthorized release of goods, and provides real-time visibility into logistics and inventory status. See “—Information Technology System.”

In addition, our logistics and warehousing quality control measures cover entry control, commodities release management and risk prevention. All commodities entering our warehouses are verified against shipping and contract documentation to ensure that only authorized commodities are accepted into storage. Commodities may be released only upon an official release instruction generated by our system, and any unauthorized release is strictly prohibited. To mitigate the risk of loss or damage, we insure all commodities stored in our warehouses and conduct regular audits to ensure compliance with insurance requirements and confirm the validity of insurance coverage.

For commodities stored in third-party warehouses, our logistics and warehousing quality control measures include oversight of storage conditions and entry inspections to ensure the facilities and conditions are appropriate for the relevant commodities, with professional inspections conducted upon receipt and quality acceptance primarily based on third-party inspection reports where applicable. We also conduct ongoing storage management through regular checks and, where necessary, on-site sampling and re-inspection to monitor the condition of the commodities. In addition, we supervise dispatch and release in accordance with agreed procedures, including documentation review and coordination, to ensure proper delivery and transfer of ownership.

RISK MANAGEMENT

We have established a risk management framework embedded throughout our trading activities, designed to identify, assess and manage key risks.

Risk Management Framework

We have established a structured risk management system with clear governance and execution mechanisms. At the governance level, we have a risk management committee, which serves as the highest decision-making body for risk management. The risk management committee

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is responsible for overseeing our overall risk management framework, reviewing major risk management policies and risk response strategies, and coordinating the management of key risks arising from our operating activities and direct investment businesses.

At the execution level, our risk management department is responsible for implementing and enforcing an end-to-end risk management framework embedded throughout the entire transaction lifecycle, covering business admission, transaction decision-making, contract execution, logistics and delivery, and fund settlement. This integrated risk management chain enables us to identify, assess and manage risks on a timely basis, thereby supporting the disciplined and orderly execution of our commodity trading activities.

Credit Risk Management

We manage credit risk through customer screening, credit grading and on-going monitoring measures. Specifically, we maintain a structured customer risk management system, under which we manage customers through a blacklist and a greylist. Customers on the blacklist are prohibited from transacting with us, while customers on the greylist may transact with us only on a non-credit basis. We review and update these lists on an ongoing basis to reflect changes in customers’ risk profiles and market conditions.

We adopt a red–amber–green (“RAG”) credit rating framework to assess customers’ credit risk based on factors such as qualifications, business model, management systems and negative information screening. Under our RAG credit rating framework, we classify customers into red, yellow and green ratings based on their credit risk profiles. For red- and yellow-rated customers, we apply enhanced credit controls, including stricter credit limits, credit enhancement measures and closer transaction monitoring. Green-rated customers are generally eligible for standard credit terms, subject to ongoing monitoring and periodic review.

We monitor customers’ credit exposure throughout the trading process, with a focus on settlement progress, receivables status, margin and prepayment arrangements, and potential fund occupation. Material or prolonged credit risk matters are escalated to group-level management and, where appropriate, to our risk management committee for review and resolution.

Logistics Risk Management

We manage logistics-related risks by maintaining a structured admission and tiered management system for logistics service providers based on qualification reviews, operational capabilities and risk profiles, with ongoing monitoring and dynamic adjustments.

We implement controls over both stored and in-transit commodities, including commodities temporarily held pending delivery or subsequent sale. These controls include regularly checking the quantity, location and condition of the commodities, and reconciling our inventory records with our transaction records and the records maintained by the relevant warehouses or logistics service providers. Any discrepancies, unusual delays or other irregularities identified are promptly reported and investigated.

In addition, we formulate transaction-specific storage, transportation and delivery plans, taking into account the nature, quantity, location and expected delivery timetable of the relevant commodities. We adopt diversified logistics arrangements and avoid excessive reliance on any single logistics service provider, warehouse or transportation channel.

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Price Risk Management

Our basis trading and unilateral spot trading are primarily exposed to spot price risk. We manage such spot price risk primarily at two levels by (i) establishing risk thresholds for each trading team, and continuously monitoring compliance with such risk thresholds, and (ii) conducting hedging activities within the approved risk thresholds, which primarily include the use of futures contracts for basis trading and foreign exchange forward contracts to manage foreign exchange risks associated with certain foreign currency-denominated transactions.

Risk budgeting and exposure monitoring

To manage such risk, our risk management committee determines and allocates risk thresholds to each trading team. These risk thresholds include (i) loss limits, which are set with reference to each trading team’s operating performance targets and historical performance and generally do not exceed 20% of such operating performance targets; and (ii) position limits, which specify the commodities that each trading team may trade, the permitted trading strategies and the maximum trading volume under each trading strategy, and are set with reference to the trading team’s loss limits and the volatility of the relevant commodities.

Each trading team monitors its daily price risk exposure by trading strategy, calculated as priced purchase contracts minus priced sales contracts, plus long futures positions minus short futures positions. These exposures are compared against the allocated risk thresholds to ensure compliance, and the results are submitted daily through our internal reporting system.

Our risk management department independently reviews these reports to oversee all trading teams’ activities. Where risk thresholds are reached or exceeded, corresponding risk control measures are promptly implemented, which may include restricting exposure expansion, adjusting trading strategies or suspending further trading activities. Any breaches or near-breaches are escalated to management in a timely manner.

Hedging

After determining the applicable risk thresholds as disclosed above, each trading team is assigned position limits and loss limits for the relevant commodities and trading strategies. Such limits define the maximum basis trading positions that the relevant trading team is authorized to undertake. Within these approved limits, we use primarily futures contracts to manage commodity price risks arising from our spot trading activities. During the Track Record Period, such hedging was primarily conducted as part of our basis trading activities. We may enter into futures contracts only to offset price exposure arising from corresponding spot transactions and do not take futures positions for standalone trading purposes. The size of each futures position is counted toward the position limit for the relevant trading strategy, and the total positions under that strategy must remain within the applicable limit.

We generally enter into futures contracts in the opposite direction and for a corresponding quantity to our spot positions, so that gains or losses on one position are largely offset by those on the other. We close out the relevant futures position after entering into the corresponding spot purchase or sales contract. As a result, we are primarily exposed to basis movements, which are generally less volatile than outright spot price movements. See “— Our Business — Trading Strategies — Customer-driven Basis Trading” and “— Our Business — Trading Strategies — Profit-driven Basis Trading” for details of our basis trading.

The futures contracts typically have a term of within six months. Our spot-and-futures gross profit margin, which provides an indicator of the effectiveness of our hedging activities, was 1.3%, 1.4%, 1.5% and 1.4% in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. See “Financial Information — Significant Factors Affecting Our Results of Operations — Basis Trading.”

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Moreover, we are also subject to the risks associated with fluctuation in the exchange rates of foreign currency. We employ foreign exchange forward contracts based on the expected settlement and/or sale timing and amount of the underlying transactions to lock in exchange rates and reduce the impact of future exchange rate fluctuations. Such hedging activities are subject to our internal foreign exchange risk management framework, under which foreign exchange exposure limits are established, our treasury management center centrally manages and monitors our foreign exchange exposures, and foreign exchange transactions are conducted solely for hedging purposes in connection with our underlying business activities.

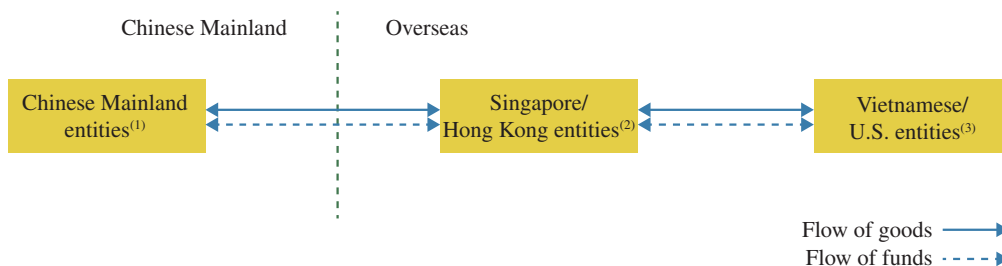
We have implemented internal controls and risk management procedures for our hedging activities in compliance with relevant laws and regulations, including commodity futures regulations. We adhere strictly to the basic principles of hedging, establish internal control systems related to hedging, and continuously evaluate the effectiveness of hedging.

During the Track Record Period, our derivative financial instruments primarily comprised commodity futures and foreign exchange forward contracts. For hedge accounting purposes, we considered only commodity futures entered into on a contract basis, meaning futures positions that could be directly matched with identifiable firm commitments to purchase or sell commodities or identified commodity inventories. Where such a hedging relationship met the requirements of HKFRS 9, we designated the relevant commodity futures as hedging instruments and applied hedge accounting.

TRANSFER PRICING ARRANGEMENTS

During the Track Record Period, we conducted commodity trading through subsidiaries in the PRC and multiple overseas jurisdictions, including Singapore, Hong Kong, Vietnam and the U.S.. Our cross-border intra-group transactions primarily relate to the purchase and sale of commodities.

The following chart summarizes the principal transaction and fund flows of our cross-border intra-group transactions during the Track Record Period:



Notes:

- (1) Primarily including our Company, Honors Commodity Co., Ltd., and Zhejiang Four Bung.
- (2) Including Hangzhou Cogeneration (Hong Kong) Company Limited, Four Bung Industries, Honors Commodity Hong Kong Co., Ltd., Singapore (Cogeneration) Steel Pte. Ltd. and Honors Commodity Singapore Pte. Ltd..
- (3) Including LIEN VIET RESOURCES CO., LTD and CIEC USA INCORPORATION.

The Organization for Economic Cooperation and Development (the “OECD”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “OECD Transfer Pricing Guidelines”). According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be at arm’s length basis to avoid distorted taxable income in different jurisdictions.

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We have engaged an independent transfer pricing consultant (the “**Transfer Pricing Consultant**”) to review our intra-group transactions during the Track Record Period for compliance with the OECD Transfer Pricing Guidelines. The scope of work of the Transfer Pricing Consultant includes reviewing the nature and pricing of our intra-group transactions, analyzing the roles of relevant entities involved, benchmarking the transaction pricing against market data and comparable third-party transactions, and applying appropriate transfer pricing methodologies to assess whether such transactions are conducted on an arm’s length basis. In particular, the Transfer Pricing Consultant adopted the comparable uncontrolled price method as the primary method by comparing the prices applied in our intra-group transactions with comparable market prices and prices observed in comparable independent third-party transactions. The transactional net margin method was also applied as a supplementary method by comparing the operating margins obtained by the relevant entities during the Track Record Period with those earned by comparable independent companies. Based on its review, our Transfer Pricing Consultant is of the view that our intragroup transactions were in line with the arm’s length principle under the OECD Transfer Pricing Guidelines, which is generally followed by the applicable local laws and regulations related to transfer pricing in the relevant jurisdictions.

INTELLECTUAL PROPERTY

We regard our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights as critical to our business operations. As the Latest Practicable Date, we had eight registered patents, one copyright, 53 registered trademarks, and 12 domain names in China. See “Appendix VI — 2. Further Information About Our Business — Our Intellectual Property Rights” for more details of the material intellectual property rights.

When encountering infringement, we conduct relevant investigations, obtain proper evidence, take appropriate action such as warnings and legal proceedings, to safeguard our legal rights and interests. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition, and results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to protect our intellectual properties against infringement.”

INFORMATION TECHNOLOGY SYSTEM

Customer Management Digitalization

We manage our customers primarily through our self-developed Lianzhi Cloud ERP system, which digitalizes customer onboarding, customer credit evaluation, customer value assessment, and monitoring of customer-related risks and public sentiment. This enables the effective management of customer relationships and mitigates potential risks.

Industry Research Digitalization

We manage our industry research primarily through a third-party system, which integrates our industry database and applies machine learning and price forecasting models to identify potential risks and opportunities. The system also functions as a structured knowledge accumulation platform by consolidating key insights and research outputs of our research team, thereby supporting continuous enhancement of our analytical capabilities.

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Supply Chain Digitalization

We utilize our Lianzhi Cloud ERP system, along with selected third-party systems to manage and optimize key supply chain functions. These systems enable efficient coordination across business units, strengthen our risk control capabilities, and improve the execution efficiency of our commodity trading activities. Specifically:

- **Procurement and sales.** We manage our procurement and sales through Lianzhi Cloud ERP, which covers order management, contract management, billing management and settlement. Risk control modules run through the entire process to ensure precise and centralized risk monitoring.
- **Logistics.** We manage our logistics through a TMS, which integrates with our Lianzhi Cloud ERP system and includes features such as logistics order management, logistics capacity matching, route optimization, in-transit monitoring, and logistics settlement and reconciliation.
- **Inventory Management.** We manage our inventory through a warehousing management module under Lianzhi Cloud ERP system, which digitalizes inbound and outbound management, storage planning and stock tracking, ensuring visibility and accuracy of inventory levels.

COMPETITION

We operate in highly competitive and rapidly evolving markets. Our ability to maintain and expand market share depends on our capacity to compete effectively with these industry players. The competitive landscape is shaped by a variety of factors, including pricing policy, logistics and warehousing capabilities, industry research capabilities, customer base, sales and distribution networks, and overall economic conditions. If we fail to stay ahead of industry developments or differentiate ourselves, our market share may be negatively impacted.

We believe that our scale, research-driven strategy, trading and service capabilities, and global supplier and customer network provide us with a competitive edge, enabling us to serve a broad customer base, distinguish ourselves from competitors, and secure long-term growth. See “Industry Overview” for more details.

EMPLOYEES

The following table sets forth a breakdown of our employees by function as of May 31, 2026:

Function	Number	Percentage of Total Number
		(%)
Commodity trading and industry services	984	61.9
Industry research	191	12.0
Risk control	88	5.5
Supply chain management	48	3.0
Administrative management	278	17.5
Total	1,589	100.0

We recruit employees primarily through headhunters, online job portals, campus job fairs and internal referrals. We and employees enter into individual employment contracts covering matters including salary, bonuses, employee benefits, confidentiality obligations, non-compete clauses,

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work product and intellectual property transfer clauses and reasons for contract termination. The remuneration packages of our employees include salary and bonuses, which are usually determined based on their seniority, performance appraisal and term of service.

Sharing success with employees and empowering them to grow is one of the core elements of our corporate culture. We always strive to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities. Meanwhile, we strictly abide by the laws, regulations and standards on workplace safety in relevant countries and regions. We are committed to creating a safe and healthy working environment for employees and ensuring their safety and physical and mental health by implementing a highly efficient management system. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor disputes or strikes that could have a material and adverse effect on our business, financial condition or results of operations.

Social Insurance and Housing Provident Funds

Background and Reasons

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some of our employees in full, in accordance with the relevant PRC laws and regulations, primarily because (i) consistent with the industry norm, our employees are highly mobile, which made it impracticable for us to make full contributions in time for relevant employees that leave us shortly after onboarding, and (ii) certain employees had chosen for us not to pay the social insurance and housing provident fund contributions in full, as that also requires additional contributions from the employee. We estimate that the aggregate shortfall of social insurance and housing provident fund contributions amounted to approximately RMB14.7 million, RMB11.6 million, RMB14.7 million and RMB0.3 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident fund contributions for a small number of our employees, primarily because some employees working in different cities across the nation prefer their social insurance and housing provident fund contributions to be paid at their respective places of residence, where we did not have an office presence, for convenience of utilizing such benefits locally.

Potential Legal Consequences

According to the PRC Legal Advisor, the maximum potential penalty for any failure to make full social insurance contributions for all employees would be up to three times the amount of the shortfall. As a result, the maximum potential penalty would amount to RMB21.2 million, RMB31.4 million, RMB42.3 million and RMB0.8 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. In addition, according to the PRC Legal Advisor, if we fail to make full housing provident fund contributions as required, the relevant competent authorities may order us to rectify such non-compliance and make the outstanding payments within a prescribed time limit. In such circumstances, the maximum potential enforcement exposure arising from any shortfall in housing provident fund contributions would be limited to the outstanding principal amount of such contributions, being RMB7.6 million, RMB1.1 million, RMB0.6 million and RMB0.05 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. Each of these potential maximum penalty amounts represented less than 0.02% of our total revenue for the corresponding periods, which we believe would not have a material adverse effect on our business, financial condition or results of operations.

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Latest Status and Remedial Measures

During the Track Record Period and up to the Latest Practicable Date, (i) we had obtained compliance certificates or credit reports and conducted interviews in December 2025 with four officers from Hangzhou Human Resources and Social Security Bureau, Hangzhou Gongshu District Human Resources and Social Security Bureau, Hangzhou Linping District Human Resources and Social Security Bureau, and Hangzhou Housing Provident Fund Management Center, respectively, which confirmed that neither our Company nor relevant subsidiaries had been subject to any administrative penalty for non-compliance with laws and regulations on social insurance and housing provident fund contributions, (ii) no administrative action or penalty had been imposed by the relevant governmental authorities with respect to our social insurance and housing provident fund contributions. Such confirmation covered approximately 95% of our total employees. Our PRC Legal Advisor is of the view that (a) Hangzhou Human Resources and Social Security Bureau, Hangzhou Gongshu District Human Resources and Social Security Bureau, Hangzhou Linping District Human Resources and Social Security Bureau, and Hangzhou Housing Provident Fund Management Center are the competent local social insurance and housing provident fund government authority in respect of our Company and certain of our subsidiaries, and (b) the interviewee was duly authorized to represent such authority, (iii) we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident fund contributions, (iv) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident fund contributions, and (v) we have undertaken that, in the event that we receive requests from the relevant authorities to pay any historical outstanding social insurance and housing provident fund contributions, or that we are required to pay any related late charges or penalties, we will timely make such payments in full.

Based on the foregoing and taking into account Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “Interpretation II”), which took effect on September 1, 2025, our PRC Legal Advisor is of the view that (i) the likelihood that we are subject to enforcement actions by the relevant authorities for the payment of historical shortfalls and corresponding administrative fines is remote, provided that there are no material changes to the prevailing regulatory policies and that no employee complaints are filed, and (ii) the implementation of Interpretation II would not have a material adverse effect on our business, financial condition or results of operations, primarily because (a) upon its implementation, the Interpretation II will not affect the compliance status of our social insurance and housing provident fund contributions due to the fact that Interpretation II essentially reaffirms existing legal requirements and explicitly establishes employees’ right to terminate the labor contract and claim economic compensation, and (b) it will not influence the assessment of any contribution shortfalls or increase our exposure to penalties, because we had not received any notifications from the relevant government authorities requiring payment of shortfalls or overdue charges for social insurance or housing provident funds as of the Latest Practicable Date.

Since January 2026, we have been increasing the payment bases for our social insurance and housing provident fund contributions to the level compliant with the requirements of relevant local governmental authorities. Going forward, we undertake to make full contributions of social insurance and housing provident funds as soon as practicable upon request by the competent governmental authorities.

Based on the foregoing we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

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Going forward, we will continue to make the required social insurance and housing provident fund contributions and maintain the following internal control measures to support our ongoing compliance:

- We have designated our human resource department to monitor the reporting and contributions of social insurance and housing provident fund contributions;
- We will consult PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and
- We will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing fund.

INSURANCE

We maintain insurance policies in accordance with relevant laws and regulations and based on our assessment of the needs of our operations and industry practices. According to Frost & Sullivan, our existing insurance coverage is in line with industry practice and adequate for our business operations. Specifically, we take out social insurances for our employees working in China, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance, medical insurance, as well as employee mutual aid medical insurance. In addition, based on our business operations and risk profile, we maintain certain commercial insurance policies, including trade receivables insurance, logistics insurance, property insurance and warehousing insurance, to cover risks arising in the ordinary course of our business.

In line with general market practice, we do not maintain any business interruption insurance, key man life insurance, or insurance policies covering damages to our network infrastructures or information technology systems, which are not mandatory under PRC laws. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all potential liabilities or losses.”

PROPERTIES

Headquartered in Hangzhou, Zhejiang Province, we own and lease certain properties in connection with our business operation.

As of May 31, 2026, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

As of the Latest Practicable Date, we had right to use two parcels of land in China, with an aggregate gross site area of over 134,134 square meters, which are primarily designated for industrial use. As of our Latest Practicable Date, our rights to use such lands were lawful and valid, and there were no disputes or potential disputes over the ownership over such lands.

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As of the Latest Practicable Date, we owned 27 properties in China with an aggregate gross floor area of over 10,171 square meters, which are primarily used as our office space and staff dormitory. As of the Latest Practicable Date, we owned one property in Hong Kong and one property in Singapore, with an aggregate gross floor area of over 269 square meters, which are primarily used as our office space. As of our Latest Practicable Date, we had obtained the building ownership certificates for them all.

Leased Properties

As of the Latest Practicable Date, we leased 125 properties across 25 provincial-level administrative regions in China, with an aggregate gross floor area of over 1,313,136 square meters, which are primarily used as our office space and warehousing. As of the Latest Practicable Date, we leased 42 properties overseas, with an aggregate gross floor area of over 18,670 square meters, which are primarily used as our office space and staff dormitory. As of the Latest Practicable Date, none of our leased properties overseas were involved in any material or systemic non-compliances.

As of the Latest Practicable Date, the actual use for three of the leased properties in China was inconsistent with the designated use as specified in their property ownership certificates. Such properties, with an aggregate gross floor area of over 247 square meters, are primarily used for their designated residential purposes, with limited ancillary home-office use involving a small number of personnel. The inconsistency between actual use and designated use arose primarily because certain personnel conducted limited administrative work from such premises, making it impracticable to distinguish between residential and office use. The activities conducted at such premises are primarily administrative in nature, conducted mainly using laptops, involve minimal operational impact and have not caused any disturbance to the surrounding environment. According to our PRC Legal Advisor, for such properties, the landlord may be subject to fines by relevant government authorities, and we may not be able to continue our use of such properties. Even if we are required to discontinue the use of such properties, it is not expected to have any material adverse impact on our operations, as (i) the number of affected personnel is limited, (ii) alternative leased premises are readily available in the vicinity, (iii) relocation is expected to be completed within a few weeks, and (iv) the estimated relocation costs are immaterial. As a remedial measure, we have strengthened our internal review and monitoring procedures relating to the use of leased properties and will continue to enhance compliance awareness among relevant personnel. In addition, we currently do not expect to renew certain of the relevant leases upon expiry and plan to gradually transition the relevant personnel to alternative compliant premises, where appropriate.

As of the Latest Practicable Date, landlords of 20 of the leased properties in China which are primarily used as office space with an aggregate gross floor area of over 208,258 square meters, have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us, primarily due to concerns over personal information privacy, the perceived administrative burden associated with document provision, or insufficient understanding of relevant regulatory requirements. Our PRC Legal Advisor is of the view that it is the responsibility of the relevant lessors to comply with the applicable requirements, and that we would not be subject to any administrative penalties in respect of these properties, but our leases may be affected if the lessors of the leased properties do not have the requisite rights to lease the relevant properties. However, where a dispute arises on the said leases, or we suffer a loss as a result of the said leases, we have a right to request a reduction in rent or refuse to pay rent or require the lessor to indemnify such losses under the lease agreements. We are currently making efforts to rectify the defects, including liaising with our lessors to provide valid title certificates or other documents evidencing their rights to lease the properties. We believe there is a sufficient reservoir of comparable alternative properties in proximity, and have developed contingency plans to safeguard our operations, including maintaining a list of backup properties in preparation for any potential relocation upon expiry of or disruption to the existing leases due to title defects. We expect that the aggregate relocation costs for the 20 leased properties with title defects will be approximately RMB1.0 million, and the estimated timeline to relocate a property is approximately six months. As a result, our Directors believe that relocation will not have a material adverse effect

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on our business, results of operations and financial condition. During the Track Record Period and up to the Latest Practicable Date, our leases for the leased properties with title defects were not challenged by third parties or relevant authorities that had resulted or involved us as the defendant in disputes, lawsuits or claims in connection with the rights to lease and use such properties occupied by us.

As of the Latest Practicable Date, we had not completed lease registration or lease registration modification for 125 of the leased properties in China, which are primarily used as office space and warehousing with an aggregate gross floor area of over 1,313,136 square meters. Among these, the leased properties used as warehouses accounted for an aggregate gross floor area of 1,296,066 square meters. The outstanding lease registrations or registration modifications were primarily due to the difficulty of procuring the relevant landlords’ cooperation to register their leases. As part of our rectification measures, we have been actively communicating with and following up with the relevant landlords regarding the outstanding lease registrations or registration modifications, and will continue to procure their cooperation to complete the relevant procedures where practicable.

Our Directors are of the view that the aforementioned title defects relating to our leased properties did not have a material adverse effect on our business, financial performance and results of operation and did not constitute a material or systemic issue pursuant to Chapter 1.2D of the Guide, considering that (i) during the Track Record Period and up to the Latest Practicable Date, we have not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities; (ii) as advised by our PRC Legal Advisor, failure to complete lease registration or lease registration modification will not affect the validity of such leases. Accordingly, our rights to occupy and use the relevant leased properties are not adversely affected by the incomplete lease registration or lease registration modification; (iii) having considered that such incompleted lease registration or lease registration modification are scattered throughout the PRC and are subject to different local government authorities, we consider it unlikely that we would simultaneously be required to complete registration or filing formalities; (iv) the potential maximum penalties for such incompleted lease registration or lease registration modification would be RMB1.3 million, representing less than 0.01% of our total revenue in the five months ended May 31, 2026; and (v) we have enhanced our internal control measures and procedures to prevent incomplete lease registration or lease registration modification, including assigning designated staff to manage regulatory registration and filing related matters. The designated staff will keep records of the lease registration status and report to our senior management periodically.

See “Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with PRC property-related laws and regulations regarding certain properties may adversely affect our business” for risks relating to our properties.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to social responsibility and recognize the importance of Environmental, Social, and Governance (the “ESG”) factors in our path towards sustainable development.

ESG Management Framework

A well-defined ESG management framework is critical to the implementation of ESG principles and initiatives. To this end, we plan to establish a three-level management framework consisting of the Board of Directors, ESG Special Committee and ESG Working Group after we go [REDACTED], so as to systematically advance ESG-related affairs.

- The Board of Directors is responsible for evaluating major ESG risks and material issues, approving sustainability strategies, overseeing the implementation of ESG policies and performance, reviewing the progress toward ESG targets, and approving the public disclosure of ESG-related information.
- The ESG Special Committee is responsible for evaluating the content of the annual ESG report and submitting it to the Board of Directors for review, identifying and assessing key ESG risks and issues, formulating ESG targets and action plans, reviewing the ESG policy framework, and performing other duties delegated by the Board of Directors.
- The ESG Working Group, consisting of representatives from key functional departments, is responsible for coordinating the implementation of ESG initiatives, managing ESG risks in daily operations, collecting and collating data for disclosure, facilitating the execution of ESG targets, policies and action plans, and regularly reporting progress to the ESG Special Committee.

We have incorporated ESG-related risks into our overall risk management system, integrating them into the entire process of identification, assessment, response, and monitoring. For specific ESG risks, the relevant departments are responsible for risk identification and response, and, when necessary, submit them to the Board of Directors for review. In response to increasingly stringent ESG compliance requirements from regulatory authorities, we have engaged third-party consultants to provide advice on our ESG management and have committed to publishing an annual ESG report after [REDACTED] to publicly disclose our annual ESG progress.

Environmental Management

Energy Management

We integrate energy efficiency improvement and energy conservation into our daily operations. For office areas, we promote green transformation, upgrading our office lighting system to energy efficiency, adopting LED energy-saving lamps, and applying an intelligent temperature control management system to optimize the operation of air conditioning and other equipment. In terms of transportation, we encourage employees to choose low-carbon travel methods and promote the replacement of business vehicles from petrol vehicles to new energy vehicles. At the same time, we incorporate canteen operations into energy conservation management, promoting the use of low-energy kitchen appliances and the installation of intelligent power control devices to implement electricity conservation measures. We also carry out diversified energy conservation publicity and education, strengthening the energy conservation awareness of all employees and cultivating a culture of consciously practicing green and low-carbon office practices. Furthermore, We have obtained the ISO 14001 environmental management system certificate, and continued to enhance environmental management.

We have set clear energy management goals: to reduce energy consumption intensity by 5% by 2030, based on the 2025 benchmark.

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The following table sets forth our energy consumption during the Track Record Period:

Indicator	Unit	Year ended December 31,			Five months ended May 31,
		2023	2024	2025	2026
Direct energy consumption	kWh	1,184,152.55	991,614.05	830,167.11	129,626.27
Direct energy consumption intensity	kWh/RMB10,000 of revenue	0.05	0.04	0.03	0.01
Indirect energy consumption	kWh	1,286,123.49	1,347,552.42	1,465,853.50	523,065.00
Indirect energy consumption intensity	kWh/RMB10,000 of revenue	0.05	0.05	0.05	0.05
Total energy consumption	kWh	2,470,276.04	2,339,166.47	2,296,020.61	652,691.27
Energy consumption intensity	kWh/RMB10,000 of revenue	0.10	0.08	0.08	0.06

Water Resource Management

We explore pathways for the efficient utilization of water resources. We promote the use of water-saving faucets and automatic sensor faucets in our office spaces and have established a regular inspection mechanism to check and preventively maintain our internal water supply system, promptly repairing potential leaks and reducing consumption at the source. In our daily operations, we advocate water-saving practices and encourage the priority use of recycled water in cleaning work. Furthermore, we conduct water-saving education and awareness campaigns for all employees, strengthening their water-saving consciousness and striving to transform the concept of water conservation into a conscious habit.

We have set clear water resource management goals: to reduce water consumption intensity by 5% by 2030, based on the 2025 benchmark.

The following table sets forth our water resource consumption during the Track Record Period:

Indicator	Unit	Year ended December 31,			Five months ended May 31,
		2023	2024	2025	2026
Water consumption	m ³	4,881.22	6,006.40	6,728.00	2,991.00
Water consumption intensity	m ³ /RMB10,000 of revenue	0.0002	0.0002	0.0002	0.0003

Waste Management

We have established a standardized waste management system. As a non-manufacturing trading company, our operations do not involve industrial emissions. Our waste mainly originates from office and daily activities, resulting in a relatively small overall environmental impact. To continuously reduce waste generation, we promote green office practices, advocate paperless office work and double-sided printing, and reduce the use of disposable items. In waste disposal, we implement waste sorting in our office spaces, set up recycling facilities, and guide employees to dispose of waste correctly. For hazardous waste (such as used batteries and light bulbs), we strictly follow national regulations, entrusting qualified professional units to conduct compliant transfer

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and disposal, maintaining complete records, and preventing illegal dumping or improper handling. We also regularly conduct environmental protection publicity to raise employees’ awareness of waste sorting and reduction, and earnestly fulfill our corporate environmental protection responsibilities.

Response to Climate Change

Assessment of and Response to Climate Risks and Opportunities

The climate-related risks we face are categorized as follows:

- **Physical risk.** Extreme weather events and long-term climate pattern shifts triggered by climate change may exert direct or indirect impacts on our daily operations. Among these, acute risks posed by typhoons, rainstorms and floods may cause temporary operational disruptions or asset losses, while chronic risks associated with ongoing warming and sea-level rise may gradually adversely affect our operational environment and access to resources. We continuously monitor meteorological information, and regularly review and optimize business continuity plans and emergency response plans, to enhance overall operational resilience, protect employee safety and ensure the continuity of customer services.
- **Transition risk.** Amid the low-carbon transition across the globe, we are exposed to risks associated with tightening policies and regulations, shifting market preferences, and reputational implications. With the advancement toward China’s “dual carbon” goals and the evolution of international carbon constraint policies, customers and suppliers are placing growing expectations on low-carbon supply chains and sustainable trade, which may impact our existing business models and market competitiveness. To address such risks, we keep a close watch on relevant policies and industry developments at home and abroad, and progressively integrate the low-carbon concept into operation and business decisions, as embodied in our efforts to promote energy conservation and carbon reduction in operations, advocate green office practices, and seek collaboration with upstream and downstream partners to jointly enhance sustainability performance across the supply chain.

We note that commodity procurement, transportation and distribution typically account for a significant proportion of our total GHG emissions across the value chain. To this end, we encourage our upstream and downstream partners to jointly reduce emissions. In terms of procurement, when selecting upstream suppliers, such as steel mills, mining companies and coking plants, we prioritize partners that demonstrate excellence in energy use, production efficiency and carbon emissions management, provided that their products meet our quality standards. With respect to logistics, we advocate low-carbon logistics solutions, optimize the transportation routes and methods, and reduce carbon emissions by improving transportation efficiency and exploring green shipping. For our downstream customers, we promote and supply green raw materials, such as recycled metal materials, to industrial manufacturers, supporting their efforts to reduce the carbon footprint of their production process. We also provide construction equipment leasing services, including scaffolding rental services, to construction companies. Through the implementation of a “rent rather than purchase” strategy, we seek to reduce one-time resource inputs and losses associated with idle equipment and facilitate the adoption of circular economy practices in the construction sector. Further, we expand the trading business of new energy related materials, providing diversified low-carbon products to help our customers achieve sustainable development goals.

We have set clear GHG emissions reduction targets: to reduce GHG emissions (Scope 1 and Scope 2) intensity by 5% by 2030, based on the 2025 benchmark. With respect to Scope 3 GHG emissions, we plan to conduct a greenhouse gas inventory after the [REDACTED] and, based on our annual Scope 3 emissions profile, formulate corresponding emissions reduction targets.

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The following table sets forth our GHG emissions during the Track Record Period:

Indicator	Unit	Year ended December 31,			Five months ended May 31,
		2023	2024	2025	2026
Scope 1 GHG emissions ⁽¹⁾	tCO ₂ e	300.93	252.00	210.97	32.94
Scope 2 GHG emissions ⁽²⁾	tCO ₂ e	682.42	715.01	777.78	277.54
Total GHG emissions (Scope 1 + Scope 2) . .	tCO ₂ e	983.35	967.01	988.75	310.48
GHG emission intensity (Scope 1 + Scope 2) . .	tCO ₂ e/RMB10,000 of revenue	0.000038	0.000035	0.000037	0.000028
Scope 3 GHG emissions ⁽³⁾	tCO ₂ e	434.11	412.64	470.38	301.54

Notes:

- (1) Scope 1 GHG emissions are measured in accordance with the 2019 *Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).
- (2) Scope 2 GHG emissions are measured based on the 2023 *Guidelines for the CO₂ Emission Factors of Electricity* issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the People’s Republic of China.
- (3) Scope 3 GHG emissions are measured in compliance with the GHG Protocol, currently covering the carbon emissions generated from employees’ business trips.

Social Responsibility

Employee Management

We have formulated internal management systems to ensure fairness and impartiality throughout the whole process of employee management in recruitment, development, promotion and dismissal. We prohibit discrimination in employment based on gender, marital and childbearing status, and protect employees’ legitimate rights and interests in terms of employment, promotion, remuneration, working hours, leave and benefits. In terms of personnel development, we provide equal development opportunities for employees, and provide targeted training at different levels and categories for new employees, grassroots employees, grassroots managers and middle and senior managers. At the same time, we provide external training support such as certificate training and external training fee settlement for employees. We will improve the suitability of their professional capabilities and career development, and strive to create an equal, inclusive and conducive workplace environment for employees’ growth.

Supply Chain Management

To effectively manage environmental and social risks, we have established a supplier onboarding review and performance evaluation mechanism. During the onboarding process for new suppliers, in addition to assessing product quality and delivery capabilities, we also review key ESG-related indicators such as environmental compliance, safe production, and anti-corruption efforts to ensure the sustainability and reliability of the entire supply chain. When selecting partners, we prioritize companies with technological innovation capabilities and green production systems, fostering collaborative progress towards sustainable development across the industry chain. Furthermore, we actively promote green logistics strategies and encourage suppliers to prioritize environmentally friendly and recyclable packaging solutions. Through continuous promotion and implementation of sustainable development, we work with our partners to reduce resource consumption and jointly build a green and efficient supply chain logistics system.

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Social Welfare

We actively fulfill our social responsibility, and continuously promote the development of education and other social welfare undertakings. We engage in cooperation with universities, establishing the “School of Economics CIEC Student Career Development Education Fund”, and donating RMB65,000 to the Zhejiang University of Technology Education Foundation in October 2022, to support the study, career planning and comprehensive ability improvement of students in the School of Economics, and help universities cultivate talents and align with market demands for talents.

We are committed to our social responsibility, and actively participate in public service and people’s livelihood security projects. In August 2023, we organized a blood donation activity jointly with the Red Cross Society of Changqing Sub-district. In April 2024, we organized employees to participate in voluntary blood donation at the Zhejiang Provincial Blood Center. We firmly believe that every act of kindness is a positive response to social harmony and progress. Going forward, we will stay true to our original commitment to public welfare, enrich the forms of participation in public welfare undertakings, and encourage more employees to engage in voluntary services, to help foster a sound atmosphere where everyone cares for and gives back to society.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and as of the Latest Practicable Date, as advised by our Hong Kong Legal Advisor, Singapore Legal Advisor, and PRC Legal Advisor, we had obtained all material licenses and permits necessary for our business operations. We are required to renew such certificates, permits and licenses from time-to-time. We do not expect any material difficulties in such renewals. Our PRC Legal Advisor is of the view that there is no legal impediment to the renewal of material licenses, approvals and permits expiring in 2026, provided that we comply with the applicable laws and regulations and duly submit the relevant renewal applications in accordance with the prescribed procedures.

The following table sets forth material licenses, approvals and permits obtained by our Group:

Jurisdiction	License/Permit	Grant Date	Expiry Date
China	Hazardous Chemicals Operation Permit (危險化學品經營許可證)	December 6, 2023 to July 31, 2026 for different subsidiaries	December 2, 2026 to July 30, 2029 for different subsidiaries
China	Registration Form for Foreign Trade Operators (對外貿易經營者備案登記表)	June 21, 2019 to March 2, 2022 for different subsidiaries	N/A
China	Record-filing Form for Entry-Exit Inspection and Quarantine Declaration Enterprises (出入境檢驗檢疫報檢企業備案表)	November 24, 2016 to December 6, 2017 for different subsidiaries	N/A
China	Customs Registration Receipt for Consignees and Consignors of Import and Export Goods (海關進出口貨物收發貨人備案回執)	August 28, 2002 to September 25, 2020 for different subsidiaries	N/A
China	Registration Certificate for Customs Declaration Entities of the PRC (中華人民共和國海關報關單位註冊登記證書)	May 18, 2017 to March 8, 2019 for different subsidiaries	N/A
China	Filing Certificate for Customs Declaration Entities (報關單位備案證明)	September 22, 2025 to January 27, 2026 for different subsidiaries	N/A

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Jurisdiction	License/Permit	Grant Date	Expiry Date
China	Customs Registration and Filing Enterprise (海關註冊登記和備案企業)	January 29, 2026	December 31, 2099
Hong Kong	Certificate of Registration for a Dealer in Precious Metals and Stones (Category A)	September 12, 2025	N/A

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become involved in various legal proceedings in the ordinary course of our business. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to complaints, disputes and lawsuits in the ordinary course of our business.”

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations, nor were we aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have such an effect.

Compliance

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. See “Regulatory Overview” for more information about the laws and regulations applicable to us.

INTERNAL CONTROL

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting, and general compliance. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted and will adopt, among other things, the following risk management measures:

- We design a set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies.
- Our Board is responsible for overseeing the overall risk management and internal control.
- Our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system. See “Directors and Senior Management — Board Committees — Audit Committee” for the composition of the Audit Committee and the qualifications and experience of them;
- We will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and

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- We will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong.

Data Privacy Policy

In the course of our operations, we primarily collect (i) industry and market data used for research and analysis, (ii) business and operational data generated in our trading, logistics and warehousing activities, and (iii) limited contact and identification information such as names, phone numbers, email addresses and business affiliations provided by customers, suppliers and logistics service providers. Such personal information is used mainly for business communication, contract performance, logistics arrangement and compliance verification purposes, and is not used for purposes unrelated to our business operations. During the Track Record Period, we did not experience any material security breach or data loss. To ensure compliance with applicable laws and industry best practices, we have adopted internal policies governing data collection, processing, storage, usage and cross-border data transfer, including the Information Security Management Policy and the Data Classification and Grading Policy, and have implemented relevant internal control measures, to ensure data security. These internal policies and internal control measures include:

Data Collection

We collect data in compliance with applicable laws and regulations. Our policies require verification of the legality of data sources and limit data collection to the minimum extent necessary for the intended purposes. As part of our internal control measures, we collect data through user registration and administrator input. All data is validated prior to being stored in our databases to help ensure the legitimacy of data sources and minimize the scope of data collection.

Data Processing

We process data in a manner that protects the legitimate rights of data subjects. Our policies require us to process data for a specific and reasonable purpose and limit our data processing activities to the minimum scope for achieving that purpose. As part of our internal control measures, we log user access to data and store such access logs on third-party cloud servers to ensure the traceability and security of data processing activities.

Data Storage

The Information Security Management Policy requires that data be stored within China and specifies applicable data retention periods. Upon expiry of the applicable retention period, such data must be deleted or anonymized in accordance with the policy. As part of our internal control measures, we take appropriate measures to prevent data leakage, including completing cybersecurity classified protection filing for our core business systems, strengthening data backup (including full local backups retained for seven days, full offsite backups retained for 30 days, and permanent storage for special data) and recovery mechanisms, and adopting encrypted data storage.

Data Usage

We have clear and strict authorization and authentication procedures and policies in place. We have established an employee access approval mechanism to ensure that employees only have access to data that is directly relevant and necessary for their responsibilities, and they are required to verify authorization upon every access attempt. Furthermore, we require that data be used in compliance with relevant laws and regulations, and personal information be used only with the consent of the relevant personal information subject or as otherwise permitted by applicable laws and regulations.

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Cross-border Data Transmission

In the course of our operations, certain cross-border data transmission may occur in limited circumstances. This primarily includes (i) internal communication and collaboration between our overseas subsidiaries and domestic personnel through business systems, where overseas staff may access limited contact information of domestic employees (such as names and telephone numbers) and business information relevant to their job responsibilities, (ii) provision of commodity trade-related documents (such as import and export documentation and business contracts) to overseas counterparties in connection with our import and export activities, and (iii) access by domestic personnel to overseas inventory and warehousing data through our warehouse management systems.

During the Track Record Period and up to the Latest Practicable Date, (i) the above cross-border data transmission from Chinese Mainland to overseas jurisdictions did not involve any sensitive personal information as defined under the *Personal Information Protection Law of the People’s Republic of China*, nor any data identified, publicly announced or informed as important data by competent authorities; (ii) the volume of personal information transferred did not reach the applicable regulatory thresholds that would trigger cross-border data transmission compliance obligations under PRC laws, including the requirement to apply for a security assessment of cross-border data transmission, enter into a standard contract for cross-border transmission of personal information, or obtain personal information protection certification; and (iii) we have not been identified as a critical information infrastructure operator by any competent authority according to the *Security Protection Regulations for Critical Information Infrastructure*. Based on the foregoing, our PRC Legal Advisor is of the view that we had complied with the applicable PRC laws and regulations regarding cross-border data transmission from Chinese Mainland to overseas jurisdictions in all material aspects during the Track Record Period and up to the Latest Practicable Date.

In Hong Kong, we collect and process personal data in the ordinary course of our business operations, which may involve limited cross-border data transmission. Based on the foregoing, our Hong Kong Legal Advisor is of the view that we had complied with the applicable laws and regulations in Hong Kong relating to cross-border data transmission in all material respects during the Track Record Period and up to the Latest Practicable Date.

Our Singapore subsidiaries generally use personal data within Singapore and did not transfer such data outside Singapore. Based on the foregoing, our Singapore Legal Advisor is of the view that we had complied with the applicable laws and regulations in Singapore relating to cross-border data transmission in all material respects during the Track Record Period and up to the Latest Practicable Date.

We have adopted measures to ensure that all such activities are conducted in accordance with applicable laws and regulations. For example, our Information Security Management System requires that a designated department coordinate and manage all cross-border data transmission activities. Any cross-border transmission of business data shall be submitted for internal review, and cross-border data transmission shall comply with the principles of legality, legitimacy, necessity and data minimization. We have also conducted a self-assessment of the security and protection impact of providing data to overseas parties.

Data Security Management

We have implemented a data security framework under the Information Security Management System, which specifies organizational accountability, technical controls, and procedural mechanisms for safeguarding data. We have implemented internal controls and procedures to manage data security risks, including employee training, internal audits and monitoring mechanisms, to ensure compliance with applicable data protection requirements. We have also implemented data backup and disaster recovery mechanisms covering local and offsite backups to

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guarantee data availability and business continuity. In addition, we conduct regular security self-assessments, including document reviews, vulnerability scanning, and other measures. Our core business systems have completed the required filing and assessment for Level 3 Classified Protection under the Multi-level Protection Scheme.

During the Track Record Period and up to the Latest Practicable Date, we have established internal policies and systems for personal information protection, data security and cybersecurity in accordance with applicable PRC laws and regulations, and have not experienced any material service disruption due to system failures, nor any material data leakage or data loss, nor been subject to any material regulatory penalties, litigation or other regulatory procedures in connection with non-compliance of such laws and regulations. Based on the forgoing, our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations relating to data privacy, cybersecurity and data security in all material respects.

Third-Party Payment Arrangements

Background

During the Track Record Period, certain customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts belonging to parties other than the contractual counterparties (individually or collectively, the “**Relevant Payor(s)**”) under the corresponding sales and purchase agreements (the “**Third-Party Payment Arrangement(s)**”) entered into between us and such Relevant Customers. To the best of our knowledge, all of the Relevant Customers were Independent Third Parties.

In 2023, 2024, 2025 and the five months ended May 31, 2026, the number of the Relevant Customers was eight, 11, 15 and five, respectively. The aggregate amount of revenue involving Third-Party Payment Arrangements was RMB47.2 million, RMB293.5 million, RMB346.9 million and RMB231.6 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, representing approximately 0.02%, 0.11%, 0.13% and 0.21% of our revenue for the respective periods. As of the Latest Practicable Date, all of outstanding amounts due from Relevant Customers under Third-Party Payment Arrangements have been settled. No individual Relevant Customer had made a material contribution to our revenue during the Track Record Period. All Third-Party Payment Arrangements were settled via bank transfers.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, (i) Relevant Payors primarily include (a) entities which are under common control with the Relevant Customers (“**Common Control Payor(s)**”), and (b) independent third-parties of the Relevant Customers that were authorized by the Relevant Customers to make payment to us (“**Independent Authorized Payor(s)**”); and (ii) all of the Relevant Payors under Third-Party Payment Arrangements were Independent Third Parties.

Reasons for Third-Party Payment Arrangements

To the best of our knowledge, Third-Party Payment Arrangement was primarily driven by the business needs of the Relevant Customers. In particular, Relevant Customers utilized such arrangements mainly for the following reasons:

- *Payment through Common Control Payors:*
 - (i) Certain Relevant Customers implemented group-level centralized cash management and, consistent with their internal policies, used bank accounts of commonly controlled entities to make payments to centralize fund allocation and enhance operational efficiency.

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- (ii) From time to time, certain Relevant Customers experienced temporary liquidity constraints or cash flow mismatches, and other commonly controlled group entities with stronger liquidity positions made payments on their behalf.
- (iii) Cross-border commodity trading often involves settlement in foreign currency. Certain Common Control Payors had greater access to foreign currency resources than the Relevant Customers themselves, as certain group entities maintained foreign currency accounts in jurisdictions with fewer foreign exchange restrictions or greater foreign exchange liquidity, or were specifically designated within the group to handle cross-border settlements.
- ***Payment through Independent Authorized Payors:*** Independent Authorized Payors primarily included project owners of the Relevant Customers who were construction contractors. According to Frost & Sullivan, it is a common commercial practice in the commodity trading industry for customers, particularly for construction contractors, to arrange for payments to be made by project owners. This practice is typically adopted to streamline settlement processes, align payment obligations with underlying project cash flows, and enhance payment security for suppliers.

Implication of the Third-party Payment Arrangements

During the Track Record Period, we have undertaken the following measures to manage Third-Party Payment Arrangements:

- ***Execution of Payment Authorization Letters.*** We have required the Relevant Customers and Relevant Payors to provide us with written letters of payment authorization (the “**Payment Authorization Letters**”) prior to making payments under the Relevant Payment Arrangements. During the Track Record Period, substantially all of the Relevant Customers had provided us with Payment Authorization Letters before making payments under the Relevant Payment Arrangements. The Payment Authorization Letter typically specifies: (i) the Relevant Payor is authorized by the Relevant Customer to make payments to us on behalf of the Relevant Customers, (ii) the Relevant Customer undertakes that any legal liabilities associated with Relevant Payment Arrangements shall be borne by the Relevant Customer instead of our Group, and (iii) the Relevant Customer and the Relevant Payor confirmed and declared that the funds used for payment to be made to us are generated from lawful sources.
- ***Know-your-customer (“KYC”) procedures.*** To prevent fraud or money laundering activities, we have implemented several KYC procedures to verify the identities of the Relevant Customers and Relevant Payors and to ensure that Relevant Payments are made in accordance with contractual arrangements. We also maintain active communication with our customers through both online and offline channels. Based on the above, we have no basis to believe that the Relevant Customers are involved in fraudulent or money laundering activities, nor any reason to suspect that the Third-Party Payment Arrangements involve proceeds or gains from such activities.
- ***Payment verification procedures.*** To verify the authenticity of Relevant Payment Arrangements and ensure the Third-Party Payment Arrangements are supported by genuine transactions, Relevant Customers are required to confirm the order details and payment party information with us before making payments through designated third-party payors. We will only record the fund flow if key elements such as the payment amount and transaction time are consistent with the corresponding order. This dual-verification process helps ensure the authenticity and traceability of each third-party payment transaction.

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During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge: (i) we had not proactively initiated any Third-Party Payment Arrangements or participated in any such arrangements in other forms; (ii) we had not provided any discount, commission, rebate or other benefit to any of the Relevant Customers to facilitate or incentivize Third-Party Payment Arrangements; (iii) payments made by the Relevant Payors were made on the same terms as those set out in the sales agreements entered into between us and the Relevant Customers; (iv) the pricing and payment terms of the agreements we entered into with the Relevant Customers were generally consistent with those applicable to customers not involved in Third-Party Payment Arrangements under similar circumstances; (v) the relevant payments were made pursuant to bona fide underlying transactions and valid contractual relationships, and all settlements with us were supported by genuine transactions; (vi) we are not aware of any commercial bribery, money laundering, tax evasion, or any existing or potential disputes arising in connection with any Third-Party Payment Arrangements; (vii) no Relevant Customer has claimed any interest in respect of any transaction payment to or from us through Third-Party Payment Arrangements; (viii) we have not been subject to any administrative notice, investigation or penalty in relation to Third-Party Payment Arrangements; and (ix) the Third-Party Payment Arrangements, where applicable, have been completely and accurately recorded in our accounting books and records in all material respects.

As advised by our PRC Legal Advisor, in light of the above: (i) our Third-Party Payment Arrangements during the Track Record Period were not in breach or contravention of mandatory requirements of applicable laws or regulations in China; (ii) as for Relevant Customers who provided duly executed Payment Authorization Letters mentioned above, the risk that we are found obligated to return the funds to Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements is remote; and (iii) our Company has not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and, as such, the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is low.

Enhanced Internal Control and Remedial Measures

Since January 2026, we have adopted internal control measures to mitigate risks relating to, and strengthen control over, the Third-Party Payment Arrangement, including:

- We have informed our employees regarding the enhanced internal control measures, which clearly provides that, we shall, in principle, cease accepting payments from third-party payors and only accept payments made directly by contracting customers. Payment from third-party payors will only be accepted in limited circumstances supported by genuine commercial needs, including (i) group-level centralized treasury or cash management arrangements, or (ii) project-specific payment arrangements where project owners make payments on behalf of the contracting customer;
- Only in specific circumstances described above, and upon (i) the execution of a tripartite agreement among the contracting customer, the third-party payor and us prior to payment, or where the relevant sales contract expressly provides that payment shall be made by the project owner, and (ii) completion of proper internal approval procedures, may a third-party payor be accepted;
- When contracts are signed, our employees are required to collect the customers' bank account information, including the account name, and ensure that all payment transactions are made using the account of the contracting party; and

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- Our employees are required to verify whether the payment details match the contracting party’s information. In cases of discrepancy, customers will be notified to make the payment again using the correct account.

We regularly check the effectiveness of our internal control measures in relation to the Third-Party Payment Arrangements and promptly address any abnormalities. Based on the review of the implementation of the abovementioned measures, our Directors are of the view that such measures are effective and adequate in identifying the sources of funds from the Relevant Customers, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with Third-Party Payment Arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations. See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to various risks relating to the Third-Party Payment Arrangements” for risks relating to the Third-Party Payment Arrangement.