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Application Proof of

Hangzhou CIEC Group Co., Ltd.
杭州熱聯集團股份有限公司

(the "**Company**")

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

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Hangzhou CIEC Group Co., Ltd.
杭州熱聯集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED] plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**RMB1.00 per H share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED] *and* [REDACTED]**

CICC 中金公司

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The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. See "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" for further details.

Pursuant to the termination provisions contained in the [**REDACTED**] in respect of the [**REDACTED**], the Sole Sponsor and the [**REDACTED**], on behalf of the [**REDACTED**], have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the [**REDACTED**] pursuant to the [**REDACTED**] at any time prior to 8:00 a.m. on the [**REDACTED**]. Further details of the terms of the termination provisions are set out in "[**REDACTED**] — [**REDACTED**] Arrangements — [**REDACTED**] — Grounds for termination" in this document. It is important that you refer to that section for further details.

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [**REDACTED**], [**REDACTED**], pledged or transferred within the United States, except pursuant to an available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The [**REDACTED**] are being [**REDACTED**] and [**REDACTED**] outside the United States in offshore transactions in reliance on Regulations.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[(1)]

[**REDACTED**]

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This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

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%.

We serve 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 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.

We have established a global business footprint. As of the Latest Practicable Date, we had subsidiaries and offices in 17 countries and regions and conducted trading activities in over 80 countries and regions during the Track Record Period, facilitating large-scale, recurring and efficient trade flows. This broad reach enables us to capture opportunities across geographies, commodity types and economic cycles and strengthen supply security.

Through our relentless efforts, we are highly recognized by customers and widely acclaimed in the market. Our major accomplishments include:

Notes:

(1) By trading volume in 2025, according to Frost & Sullivan.

(2) During the Track Record Period.

(3) In any given period during the Track Record Period.

(4) As of the Latest Practicable Date.

(5) According to Frost & Sullivan.

(6) (i) We ranked among the top three in the *Top 100 Chinese Steel Trading Enterprises* for eight times from 2016 to 2024; (ii) we have been included as one of the pilot enterprises under the SASAC's *Double-Hundred Action* reform program; (iii) we serve as the chairing organization of the China Iron and Steel Circulation Association; and (iv) we serve as the executive vice chairman member and the secretary-general unit of the Hangzhou Bulk Commodity Investment, Trading and Trade Industry Alliance.

(7) In 2025.

Trading Commodities

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.

Business Drivers

During the Track Record Period, our business growth was primarily driven by the continued expansion of our trading scale, the deepening of our research and customer service capabilities and the extension of our trading activities along relevant industry value chains. These drivers are mutually reinforcing, as our expanding trading scale strengthens our research and customer service capabilities, which enable us to extend our trading activities and capture additional trading opportunities, thereby further increasing our trading scale.

We expect the continued interaction and synergies among our trading scale, differentiated capabilities and business expansion to continue to support the growth of our business and enable us to replicate our success across commodity types. This is evidenced by the continued expansion of our commodity coverage and trading volume. The number of commodity types we traded increased from 234 in 2023 to over 285 in 2025, and we traded over 294 commodity types in the five months ended May 31, 2026. Our total trading volume increased at a CAGR of 21.3% from 96.3 million tons in 2023 to 141.7 million tons in 2025, and remained stable at 54.0 million tons in both the five months ended May 31, 2025 and 2026.

In addition, we have expanded from conducting trading activities primarily in China to engaging in import and export trading and establishing localized operations in overseas markets. The continued expansion of our geographic coverage is driven by both the further development of our business in China and the expansion of our overseas operations. In China, we seek to deepen our relationships with existing suppliers and customers, extend our coverage along relevant industry value chains and capture additional trading opportunities by leveraging our established trading network, market knowledge and service capabilities. Overseas, the uneven geographic distribution of commodity production and demand, together with differences in supply and demand dynamics and prices across regional markets, creates opportunities for cross-border and localized trading. We seek to capture these opportunities by connecting supply and demand between China and overseas markets through import and export trading and by strengthening our local presence and execution capabilities in key overseas markets through subsidiaries, offices and investments. We expect the continued development of our global network to broaden our sourcing and distribution channels, facilitate cross-regional resource allocation and collaboration, and support the continued growth of our 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. We generated substantially all of our revenue from commodity trading through one or a combination of these trading strategies during the Track Record Period. We determine the appropriate trading strategies and dynamically adjust such methods based on market conditions and commodity price movements. See "Business — Our Business — Trading Strategies" for more details.

Pricing Arrangements

We provide two pricing models to customers, namely fixed-price arrangements and floating-price arrangements. 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. 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. See "Business — Our Business — Pricing Arrangements" for more details.

Risk Management

We have developed a comprehensive risk management framework embedded throughout our trading activities, including credit risk management, logistics risk management, price risk management. Specifically, we manage spot price risk primarily at two levels by (i) establishing risk thresholds for each trading team in respect of their trading activities, which limit the trading volume that each trading team may undertake, 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. See "Business — Risk Management — Price Risk Management — Hedging" for more details.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of trading companies and companies across a wide range of industries, including industrial manufacturers and construction companies. 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. See "Business — Sales and Distribution Network — Major Customers" for details.

Our suppliers primarily comprise large steel mills, mining companies, coking plants, chemical manufacturers and major commodity trading companies. 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 and 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. See "Business — Our Suppliers — Major Suppliers" for details.

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 networks, and overall economic conditions. If we fail to stay ahead of industry developments or differentiate ourselves, our market share may be negatively impacted. See "Industry Overview" for details.

We believe that our trading 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.

OUR STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths: (i) globalized operations with established supplier and customer networks; (ii) distinguished industry research capabilities; (iii) integrated service capabilities; (iv) disciplined and effective risk management; and (v) a management team driving sustained growth. See "Business — Our Strengths" for details.

OUR STRATEGIES

We will continue to pursue the following strategies to further expand our business: (i) enhance the core competitiveness and profitability; (ii) build a self-reinforcing flywheel between trading and strategic investments; and (iii) accelerate global expansion and strengthen localized overseas operations. See "Business — Our Strategies" for details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Some of the major risks we face include: (i) our businesses and operations are capital intensive, and any failure to maintain sufficient capital resources and liquidity could materially and adversely affect our business, results of operations, financial condition and growth prospects; (ii) our trading activities involve holding inventories of commodities, and any failure to effectively manage the associated inventory risks could materially and adversely affect our business, results of operations and financial condition; (iii) we depend on certain key personnel and our ability to attract and retain key personnel for our operations; (iv) we are exposed to foreign currency exchange fluctuations; and (v) we face intense competition in our industry. See "Risk Factors" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants' Report in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our results of operations in absolute amounts and as percentages of our revenue 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*	*%*
Revenue	**252,132,435**	**100.0**	**270,629,944**	**100.0**	**270,479,007**	**100.0**	**109,458,806**	**100.0**	**110,492,986**	**100.0**
Cost of sales	(249,948,109)	(99.1)	(268,730,800)	(99.3)	(268,757,519)	(99.4)	(109,350,725)	(99.9)	(108,365,303)	(98.1)
Gross profit	**2,184,326**	**0.9**	**1,899,144**	**0.7**	**1,721,488**	**0.6**	**108,081**	**0.1**	**2,127,683**	**1.9**
Other income and gains	1,687,132	0.7	2,512,687	0.9	3,039,757	1.1	2,213,961	2.0	473,329	0.4
Selling and distribution costs	(957,052)	(0.4)	(1,015,383)	(0.4)	(763,567)	(0.3)	(264,369)	(0.2)	(250,029)	(0.2)
Administrative expenses	(663,004)	(0.3)	(662,810)	(0.2)	(723,990)	(0.3)	(298,687)	(0.3)	(325,780)	(0.3)
Other expenses	(41,078)	(0.0)	(341,777)	(0.1)	(611,087)	(0.2)	(812,257)	(0.7)	(932,394)	(0.8)
Finance costs	(934,933)	(0.4)	(937,486)	(0.3)	(753,638)	(0.3)	(333,460)	(0.3)	(351,155)	(0.3)
Impairment losses under expected credit loss model, net of reversal	71,255	0.0	143,168	0.1	(159,671)	(0.1)	4,193	0.0	(54,396)	(0.0)
Share of profits of associates	80,337	0.0	64,440	0.0	52,814	0.0	18,462	0.0	46,334	0.0
Profit before tax	**1,426,983**	**0.6**	**1,661,983**	**0.6**	**1,802,106**	**0.7**	**635,924**	**0.6**	**733,592**	**0.7**
Income tax	(394,660)	(0.2)	(230,965)	(0.1)	(367,535)	(0.1)	(111,535)	(0.1)	(179,482)	(0.2)
Profit for the year/period	**1,032,323**	**0.4**	**1,431,018**	**0.5**	**1,434,571**	**0.6**	**524,389**	**0.5**	**554,110**	**0.5**

Revenue

During the Track Record Period, we generated substantially all of our revenue from commodity trading. See "Financial Information — Review of Historical Results of Operations — Revenue" for more breakdowns and details. The following table sets forth a breakdown of our total revenue by business segment and commodity type, in absolute amounts and as percentages of our total revenue, 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*	*%*
Commodity trading										
Ferrous metals and steelmaking raw materials										
– Steel	98,989,966	39.3	91,003,590	33.6	104,098,850	38.5	43,807,055	40.0	42,271,161	38.4
– Iron ore	31,195,313	12.4	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	0.7	4,327,308	1.6	8,452,963	3.2	3,397,728	3.1	5,673,155	5.1
Subtotal	**132,181,198**	**52.4**	**123,730,702**	**45.7**	**147,827,838**	**54.7**	**59,650,397**	**54.5**	**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	9.2
– 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	4.3	5,481,295	5.0	3,668,497	3.3
– Other chemical products	22,883,156	9.0	29,421,834	10.9	31,144,203	11.5	12,320,276	11.2	13,623,181	12.3
Subtotal	**73,532,218**	**29.2**	**110,641,623**	**40.9**	**101,312,315**	**37.4**	**42,241,961**	**38.6**	**39,534,937**	**35.7**
Non-ferrous metals	37,238,412	14.8	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
Subtotal	**250,481,984**	**99.3**	**269,788,789**	**99.7**	**269,823,448**	**99.8**	**109,228,164**	**99.8**	**110,242,474**	**99.8**
Others[(2)]	**1,650,451**	**0.7**	**841,155**	**0.3**	**655,559**	**0.2**	**230,642**	**0.2**	**250,512**	**0.2**
Total	**252,132,435**	**100.0**	**270,629,944**	**100.0**	**270,479,007**	**100.0**	**109,458,806**	**100.0**	**110,492,986**	**100.0**

Notes:

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

(2) Others primarily include gross profit from logistics and leasing services.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments and commodity types for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Commodity trading										
Ferrous metals and steelmaking raw materials										
– Steel	1,223,060	1.2	829,005	0.9	1,060,234	1.0	547,812	1.3	397,331	0.9
– Iron ore	681,383	2.2	66,716	0.2	716,249	2.0	60,574	0.5	(50,856)	(0.3)
– Other raw materials	(134,126)	(6.7)	(367,027)	(8.5)	31,359	0.4	(286,429)	(8.4)	546,846	9.6
Subtotal/Overall	**1,770,317**	**1.3**	**528,694**	**0.4**	**1,807,842**	**1.2**	**321,957**	**0.5**	**893,321**	**1.4**
Chemicals										
– Polyester	(43,034)	(0.2)	89,728	0.3	160,001	0.5	230,659	2.1	127,101	1.2
– Aromatics	110,005	0.4	391,964	1.0	140,693	0.5	130,420	1.0	(96,784)	(0.8)
– Rubber	(26,939)	(0.4)	534,449	4.4	(371,901)	(3.2)	(125,925)	(2.3)	254,516	6.9
– Other chemical products	(211,018)	(0.9)	17,809	0.1	(338,964)	(1.1)	(405,200)	(3.3)	838,590	6.2
Subtotal/Overall	**(170,987)**	**(0.2)**	**1,033,950**	**0.9**	**(410,171)**	**(0.4)**	**(170,046)**	**(0.4)**	**1,123,423**	**2.8**
Non-ferrous metals	126,796	0.3	221,565	0.7	145,079	0.9	(75,154)	(1.3)	110,691	2.5
Other commodities[(1)]	95,626	1.3	(32,200)	(0.7)	38,098	0.8	(3,254)	(0.2)	(50,200)	(2.8)
Subtotal/Overall	**1,821,752**	**0.7**	**1,752,009**	**0.6**	**1,580,848**	**0.6**	**73,503**	**0.1**	**2,077,235**	**1.9**
Others[(2)]	**362,574**	**22.0**	**147,135**	**17.5**	**140,640**	**21.5**	**34,578**	**15.0**	**50,448**	**20.1**
Total/Overall	**2,184,326**	**0.9**	**1,899,144**	**0.7**	**1,721,488**	**0.6**	**108,081**	**0.1**	**2,127,683**	**1.9**

Notes:

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

(2) Others primarily include gross profit from logistics and leasing services.

Our gross profit decreased by 13.1% from RMB2,184.3 million in 2023 to RMB1,899.1 million in 2024 and decreased by 9.4% to RMB1,721.5 million in 2025. Our gross profit increased by 1,868.6% from RMB108.1 million in the five months ended May 31, 2025 to RMB2,127.7 million during the same period in 2026. Our gross profit margin was 0.9%, 0.7%, 0.6%, 0.1% and 1.9% in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Going forward, we intend to manage our long-term profitability primarily by (i) achieving continuous revenue growth and (ii) improving cost efficiency. See "Financial Information — Review of Historical Results of Operations — Gross Profit and Gross Profit Margin" for more details.

Summary of Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	4,991,518	5,234,248	5,661,580	6,003,446
Total current assets	41,169,089	48,076,328	53,509,711	67,092,162
Total assets	**46,160,607**	**53,310,576**	**59,171,291**	**73,095,608**
Total non-current liabilities	627,214	776,801	538,020	537,454
Total current liabilities	36,314,594	42,497,681	46,117,284	59,213,056
Total liabilities	**36,941,808**	**43,274,482**	**46,655,304**	**59,750,510**
Net current assets	**4,854,495**	**5,578,647**	**7,392,427**	**7,879,106**
Net assets	**9,218,799**	**10,036,094**	**12,515,987**	**13,345,098**

Our net assets increased by 8.9% from RMB9,218.8 million as of December 31, 2023 to RMB10,036.1 million as of December 31, 2024, primarily due to (i) profit for the year of RMB1,431.0 million, and (ii) capital contribution from non-controlling shareholders of RMB225.1 million, partially offset by dividends recognized as distributions of RMB649.7 million. Our net assets increased by 24.7% from RMB10,036.1 million as of December 31, 2024 to RMB12,516.0 million as of December 31, 2025, primarily due to (i) profit for the year of RMB1,434.6 million, and (ii) issuance of perpetual securities of RMB2,297.9 million, partially offset by dividends recognized as distributions of RMB572.8 million. Our net assets increased by 6.6% from RMB12,516.0 million as of December 31, 2025 to RMB13,345.1 million as of May 31, 2026, primarily due to (i) profit for the period of RMB554.1 million, (ii) issuance of perpetual securities of RMB499.4 million, partially offset by withdrawal of capital to non-controlling shareholders of subsidiaries of RMB148.7 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected information from our cash flows 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*
Net cash flows generated from/(used in) operating activities	117,541	(1,876,379)	(4,821,727)	2,518,796	(2,268,476)
Net cash flows used in investing activities	(60,956)	(4,759)	(1,081,121)	(1,636,136)	(3,170,101)
Net cash flows generated from financing activities	335,424	2,916,333	5,305,094	3,515,644	8,411,627

	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*
Net increase/(decrease) in cash and cash equivalents	**392,009**	**1,035,195**	**(597,754)**	**4,398,304**	**2,973,050**
Net foreign exchange difference	53,945	32,697	(182,627)	(112,006)	(151,500)
Cash and cash equivalents at beginning of year/period	2,712,020	3,157,974	4,225,866	4,225,866	3,445,485
Cash and cash equivalents at end of year/period	**3,157,974**	**4,225,866**	**3,445,485**	**8,512,164**	**6,267,035**

In the five months ended May 31, 2026, we had net cash flows used in operating activities of RMB2,268.5 million, which was primarily due to (i) an increase in inventories of RMB3,413.6 million, and (ii) an increase in prepayments, other receivables and other assets of RMB2,892.7 million, partially offset by (i) profit before tax of RMB733.6 million, and (ii) an increase in contract liabilities of RMB3,412.5 million.

In 2025, we had net cash flows used in operating activities of RMB4,821.7 million, which was primarily due to (i) an increase in inventories of RMB2,427.7 million, and (ii) an increase in prepayments, other receivables and other assets of RMB4,341.0 million, partially offset by (i) profit before tax of RMB1,802.1 million, and (ii) an increase in contract liabilities of RMB1,185.7 million.

In 2024, we had net cash flows used in operating activities of RMB1,876.4 million, which was primarily due to (i) an increase in inventories of RMB4,272.9 million, (ii) an increase in prepayments, other receivables and other assets of RMB1,680.5 million, and (iii) an increase in trade and notes receivables of RMB817.4 million, partially offset by (i) profit before tax of RMB1,662.0 million, and (ii) an increase in contract liabilities of RMB799.1 million.

In light of the foregoing, we expect to improve our net operating cash outflows position primarily through various measures as detailed in "Financial Information – Liquidity and Capital Resources – Cash Flows Analysis."

KEY FINANCIAL RATIOS

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

	As of / Year Ended December 31			As of/Five Months Ended May 31,
	2023	2024	2025	2026
Return on equity[(1)]	13.4%	15.9%	16.4%	8.0%
Current ratio[(2)]	1.1	1.1	1.2	1.1
Net profit growth rate[(3)]	N/A	38.6%	0.2%	5.7%

Notes:

(1) Return on equity was calculated based on profit attributable to owners of the parent of the respective period, divided by average balance of equity attributable to owners of the parent (exclude perpetual securities) and multiplied by 100%. The increase in our ROE from 2023 to 2025 was primarily attributable to the steady growth of our profit attributable to owners of the parent, which outpaced the growth of our equity attributable to owners of the parent.

(2) Current ratio was calculated dividing current assets by current liabilities as of the dates indicated.

(3) Net profit growth rate was calculated dividing the change in net profit for the current period relative to the prior period by the net profit of the prior period.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become involved in various legal proceedings 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. See "Business — Legal Proceedings and Compliance" for details.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Acting in Concert Agreement dated February 6, 2026 entered into by and amongst the Concert Parties, namely Hangzhou Industrial Group and Zhejiang Lianyu, with a term of 72 months commencing from the date of execution, the Concert Parties agreed, among other things, that (i) they have acted in concert since January 1, 2025 and will continue to act in concert and reach consensus on any proposal presented to the general meetings of the Shareholders and when voting at the general meetings of the Shareholders, while Zhejiang Lianyu shall follow Hangzhou Industrial Group's vote in the event of any disagreement; and (ii) unless otherwise agreed by the Concert Parties, the Acting in Concert Agreement may, prior to its expiration, be terminated by Hangzhou Industrial Group by prior written notice to Zhejiang Lianyu, and shall be automatically renewed subject to the internal approvals of each of the Concert Parties and compliance with applicable laws and regulatory requirements. As of the Latest Practicable Date, the Concert Parties have confirmed their intention to renew the Acting in Concert Agreement upon its expiration.

As of the Latest Practicable Date, the Concert Parties were collectively interested in approximately 95.70% of our total issued share capital, comprising: (i) 51% of our total issued share capital directly held by Hangzhou Industrial Group, which was ultimately owned as to 90% by Hangzhou SASAC (a PRC Governmental Body as defined in Rule 19A.04 of the Listing Rules, which will not be considered as a "controlling shareholder" of a PRC issuer pursuant to Rule 19A.14 of the Listing Rules) and 10% by Zhejiang Caikai; and (ii) 44.7% of our total issued share capital directly held by Zhejiang Lianyu, which was owned as to approximately (a) 31.23% by Lianshi Partnership; (b) 29.27% by Lianwu Partnership; (c) 21.07% by Lianyi Partnership; (d) 12.53% by Lianer Partnership; and (e) 5.91% by Lianshan Partnership, each of which is a shareholding platform with Jingning Lianshang being the general partner. Jingning Lianshang was in turn owned as to (a) 50% by Mr. Lyu, our executive Director, (b) 25% by Mr. Wu Xiaowei (吴晓炜), our senior management, and (c) 25% by Mr. Lao Hongbo (劳洪波), our senior management. Pursuant to the articles of association of Hangzhou Industrial Group, all voting rights attached to Zhejiang Caikai's 10% equity interests in Hangzhou Industrial Group are entrusted to Hangzhou SASAC, which exercises such voting rights on Zhejiang Caikai's behalf at the general meetings of shareholders of Hangzhou Industrial Group. Therefore, Hangzhou Industrial Group, Zhejiang Lianyu, Lianshi Partnership, Lianwu Partnership, Lianyi Partnership, Lianer Partnership, Lianshan Partnership, Jingning Lianshang and its shareholders, namely Mr. Lyu, Mr. Wu Xiaowei and Mr.

Lao Hongbo, collectively controlled approximately 95.70% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will control approximately [**REDACTED**]% of the voting rights at general meetings of our Company immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). See "Relationship with Our Controlling Shareholders" for further details.

CONTINUING CONNECTED TRANSACTIONS

We [have entered] into and are expected to continue with the transactions after the [**REDACTED**] which will constitute fully exempt, partially exempt and non-exempt continuing connected transactions under Chapter 14A of Listing Rules. We have applied for, and the Stock Exchange [has granted] us, the related waivers from strict compliance with Chapter 14A of the Listing Rules in respect of the transactions. See "Connected Transactions" for further details.

[**REDACTED**]

DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. In 2023, 2024, 2025 and the five months ended May 31, 2026, we declared dividend of RMB747.3 million, RMB649.7 million, RMB572.8 million and nil, respectively. As of the Latest Practicable Date, we did not have a formal dividend policy or pre-determined dividend payout ratio.

After completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important. See "Financial Information — Dividends" for details.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for (i) the upgrade and expansion of our logistics networks; (ii) the potential investment or acquisition opportunities; (iii) the enhancement and expansion of our commodity portfolio; (iv) enhancing our digital and information technology capabilities; (v) deepening our cooperation with upstream and downstream partners; and (vi) the working capital and general corporate purposes. See "Future Plans and Use of [**REDACTED**]" for details.

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees (such as the discretionary incentive fee) incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] expenses will be approximately RMB[**REDACTED**] (or HK$[**REDACTED**], representing [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**]) (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]), which are composed of (i) [**REDACTED**] of approximately RMB[**REDACTED**] and (ii) [**REDACTED**]-related expenses of approximately RMB[**REDACTED**], which consist of (a) fees and expenses of legal advisors and reporting accountants of approximately RMB[**REDACTED**], and (b) other fees and expenses of approximately RMB[**REDACTED**]. An estimated amount of RMB[**REDACTED**] for our [**REDACTED**] expenses, was or is expected to be expensed through the statement of profit or loss and the remaining amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. During the Track Record Period, [**REDACTED**] expenses of RMB[**REDACTED**] was charged to the consolidated statements of profit or loss, and RMB[**REDACTED**] was recognized as other current assets and to be deducted from equity upon the [**REDACTED**].

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial, operational or trading position, indebtedness or prospects since May 31, 2026, being the date of our latest reviewed financial statements, and there has been no event since May 31, 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in "Glossary of Technical Terms".

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as included in Appendix I to this document
"AED"	the United Arab Emirates dirham, the lawful currency of the United Arab Emirates
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on February 6, 2026 with effect from the [**REDACTED**], as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in Appendix IV to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
	[**REDACTED**]
"China" or "the PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	has the meaning ascribed thereto under the Listing Rules
"Company", "our Company" or "the Company"	Hangzhou CIEC Group Co., Ltd. (杭州熱聯集團股份有限公司) (formerly known as Hangzhou Cogeneration Lianfeng Materials Co., Ltd. (杭州熱電聯峰物資有限公司), Hangzhou Relian Import and Export Co., Ltd. (杭州熱聯進出口有限公司) and Hangzhou Cogeneration Import and Export Co., Ltd. (杭州熱聯進出口股份有限公司), which was incorporated under the laws of the PRC as a limited liability company on March 23, 2001 and was converted into a joint stock company with limited liability on May 11, 2009
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)" or "Controlling Shareholders Group"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Hangzhou Industrial Group, Zhejiang Lianyu, Lianshi Partnership, Lianwu Partnership, Lianyi Partnership, Lianer Partnership, Lianshan Partnership, Jingning Lianshang and its shareholders, namely Mr. Lyu, Mr. Wu Xiaowei and Mr. Lao Hongbo, as further detailed in the section headed "Relationship with Our Controlling Shareholders" in this document
"Conversion of Unlisted Shares into H Shares"	the conversion of [**REDACTED**] Unlisted Shares in aggregate held by our existing Shareholders into [**REDACTED**] H Shares upon the completion of the [**REDACTED**]
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)

"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
	[**REDACTED**]
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
	[**REDACTED**]
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
	[**REDACTED**]
"Governmental Authority"	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"Group", "our Group", "we", "us", or "our"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange effective on January 1, 2024, as amended from time to time
"H Share(s)"	overseas [**REDACTED**] foreign Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [**REDACTED**] for and [**REDACTED**] in HK dollars and are to be [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"Hangzhou Industrial Group"	Hangzhou Industrial Investment Group Co., Ltd. (杭州市實業投資集團有限公司), a wholly state-owned limited liability company established under the laws of the PRC on November 13, 2001 and one of the Controlling Shareholders of the Company
"Hangzhou SASAC"	the State-owned Assets Supervision and Administration Commission of the Hangzhou Municipal Government of the PRC (中華人民共和國杭州市人民政府國有資產監督管理委員會)
"HK$", "HK dollars" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

[**REDACTED**]

[**REDACTED**]

"Hong Kong Legal Advisor"	Chen & Lee Law Office, our legal advisor as to Hong Kong law

[**REDACTED**]

"IDR"	the Indonesian rupiah, the lawful currency of Indonesia
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	to the best knowledge of our Directors and our Company, any entity or person which/who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[**REDACTED**]

"International Sanctions Legal Advisor"	Hogan Lovells Cadwalader International LLP, our legal advisor as to international sanctions laws and the U.S. Outbound Investment Rules

[**REDACTED**]

"Jingning Lianshang"	Jingning Lianshang Trading Co., Ltd. (景寧聯尚貿易有限公司), a limited liability company established under the laws of the PRC on November 11, 2019, the sole general partner of the Shareholding Platforms, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders

[**REDACTED**]

"Sole Sponsor"	the sole sponsor of the [**REDACTED**] as named in the section headed "Directors and Parties Involved in the [**REDACTED**] — Parties Involved in the [**REDACTED**]" in this document
"Latest Practicable Date"	August 2, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
"Lianer Partnership"	Hangzhou Lianer Business Consulting Partnership (Limited Partnership) (杭州聯爾商務諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 25, 2019, one of the Shareholding Platforms that hold the equity interests in Zhejiang Lianyu, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders
"Lianshan Partnership"	Hangzhou Lianshan Business Consulting Partnership (Limited Partnership) (杭州聯珊商務諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 25, 2019, one of the Shareholding Platforms that hold the equity interests in Zhejiang Lianyu, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders
"Lianshi Partnership"	Hangzhou Lianshi Business Consulting Partnership (Limited Partnership) (杭州聯仕商務諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 24, 2021, one of the Shareholding Platforms that hold the equity interests in Zhejiang Lianyu, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders
"Lianwu Partnership"	Hangzhou Lianwu Business Consulting Partnership (Limited Partnership) (杭州聯吾商務諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 24, 2021, one of the Shareholding Platforms that hold the equity interests in Zhejiang Lianyu, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders

"Lianyi Partnership"	Hangzhou Lianyi Business Consulting Partnership (Limited Partnership) (杭州聯一商務諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 20, 2019, one of the Shareholding Platforms that hold the equity interests in Zhejiang Lianyu, details of which are set out in section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021", and one of our Controlling Shareholders
	[**REDACTED**]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"Mr. Lyu"	Mr. Lyu Yonghong (呂永洪), a member of our Controlling Shareholders Group, executive Director, president of our Company and the controlling shareholder of Jingning Lianshang
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
	[**REDACTED**]

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	Commerce & Finance Law Offices, our legal advisor as to PRC law

[**REDACTED**]

"document"	this document being issued in connection with the [**REDACTED**]
"province(s)"	for the purpose of this document and for geographical reference only the "province(s)" include(s) municipalities, autonomous regions and special administrative regions in China
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

"SAR"	the Saudi riyal, the lawful currency of the Kingdom of Saudi Arabia
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"Securities Law" or "PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)" or "Ordinary Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shareholding Platforms"	the shareholding platforms of our Company for certain individuals, namely Lianyi Partnership, Lianer Partnership, Lianshan Partnership, Lianshi Partnership and Lianwu Partnership, through which certain equity interests in our Company are held by investors of our Group, as further described in the section headed "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021" in this document.
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Singapore Legal Advisor"	Drew & Napier LLC, our legal advisor as to Singapore law

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"THB"	the Thai baht, the lawful currency of Thailand
"Tianjin Jingyu"	Tianjin Jingyu Zhengda Construction Materials Co., Ltd. (天津京裕正大建築材料有限公司), a limited liability company established under the laws of the PRC on July 28, 2010 and held approximately 2.15% of our Shares as of the Latest Practicable Date
"Track Record Period"	the period comprising the three financial years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026
	[**REDACTED**]
"U.S.", "US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. SEC"	the Securities and Exchange Commission of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
	[**REDACTED**]
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"VAT"	value-added tax

"Xinji Haisheng"	Xinji Haisheng Investment Management Co., Ltd. (辛集市海昇投資管理有限公司), a limited liability company established under the laws of the PRC on December 11, 2015 and held approximately 2.15% of our Shares as of the Latest Practicable Date
"XOF"	the West African CFA Franc, the lawful currency of Côte d'Ivoire
"Zhejiang Lianyu"	Zhejiang Lianyu Trading Co., Ltd. (浙江聯煜貿易有限公司), a limited liability company established under the laws of the PRC on September 1, 2020 and one of our Controlling Shareholders
"%"	per cent.

The English translation of PRC entities, enterprises, nationals, facilities and regulations in Chinese or another language in this document is for identification purposes only. In this document, should there be any discrepancy between the Chinese names of the entities or enterprises established in China and its English translation, the Chinese names shall prevail.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. These terms and their meanings may not correspond to standard industry meanings or usage, and may not be comparable to similar terms adopted by other companies.

"AI"	artificial intelligence
"basis", or "basis level"	the price difference between the spot price of an underlying commodity and the futures price of the same or a related commodity
"basis trading"	a trading strategy where positions are taken in both a spot asset and a related futures contract in order to capture movements in the price differential between them
"CAGR"	compound annual growth rate
"commercial power"	the comprehensive rights and capabilities enjoyed by all parties involved in a transaction within the commercial chain, allowing them to influence trade terms, secure commercial benefits, and receive protection under agreements. This includes transaction dominance for controlling key elements and the right to access resources such as opportunities in specific markets or supply chains. In trading business, a typical way to acquire commercial power is through resource exchanges via equity cooperation
"ERP"	enterprise resource planning
"ESG"	environmental, social and governance
"factory warehouse"	a qualification certified by a futures exchange and granted to large-scale traders with strong credit standing, financial strength, and supply capabilities. Such qualification enables the registration of warehouse receipts for futures delivery, primarily based on the trader's creditworthiness and performance capability, rather than representing a physical warehouse facility or requiring physical inventory holdings
"ferrous metals and steelmaking raw materials"	metals or alloys that contain iron in appreciable amounts, as well as steelmaking raw materials used in the production or processing of such metals or alloys
"GHG"	greenhouse gas
"IDB", or "Inter-dealer Broker"	an intermediary that facilitates futures and over-the-counter transactions

"industry-finance integration demonstration base"	a demonstration platform for deep integration of industry and finance, recognized by futures exchanges, industry associations, or relevant regulatory authorities, designed to serve as a standardized application model and promotion vehicle for spot-futures linkage mechanisms within the physical industrial value chain, aiming to facilitate the regulated integration and scalable replication of futures and derivative instruments in industrial scenarios
"IT"	information technology
"Lianzhi cloud ERP system"	a self-developed cloud enterprise resource planning system
"non-ferrous metals"	metals or alloys that do not contain iron in appreciable amounts
"OTC"	over-the-counter
"PTA"	purified terephthalic acid, an organic compound which is used as a main raw material in producing polyester
"RAG"	red–amber–green
"ROE"	return on equity
"TMS"	transportation management system

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events, or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "could", "vision", "goals", "aim", "aspire", "objective", "target", "schedules "and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: (i) our operations and business prospects; (ii) our business and operating strategies and our ability to implement such strategies; (iii) our ability to develop and manage our operations and business; (iv) our expectations with respect to our ability to acquire and maintain regulatory licenses or permits; (v) our ability to control costs and expenses; (vi) our ability to identify and satisfy consumer demands and preferences; (vii) our ability to maintain good relationships with business partners; (viii) the actions and developments of our competitors; (ix) changes to regulatory and operating conditions in the industry and geographical markets in which we operate; (x) relevant government policies, legislations and regulations relating to our business and industry, as well as interpretation and positions adopted by, and actions taken by, the relevant regulatory agencies; and (xi) all other risks and uncertainties described in "Risk Factors."

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [**REDACTED**] against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our businesses and operations are capital intensive, and any failure to maintain sufficient capital resources and liquidity could materially and adversely affect our business, results of operations, financial condition and growth prospects.

The operation of our business requires substantial capital resources and liquidity. During the Track Record Period, we generated substantially all of our revenue from commodity trading. Commodity trading typically requires significant amounts of funds to purchase commodities for delivery to customers, meet margin requirements under derivative instruments, and fund logistics and ancillary activities that are complementary to, or often conducted in conjunction with, our trading activities, including logistics, warehousing, and processing. As a result, our business is capital intensive, and our continued operations and growth depend on our ability to maintain sufficient funding and access to liquidity.

A lack of sufficient funds could limit our ability to maintain our historical levels of trading activity or to expand such activities in the future, impair our ability to meet our payment obligations as they fall due, and prevent us from taking advantage of other business opportunities that may arise. Our cash flow position may be adversely affected by circumstances beyond our control. These circumstances may include general market disruptions, significant volatility or increases in commodity prices, or operational issues affecting our suppliers, customers or ourselves.

In addition to maintaining adequate liquidity for ongoing operations, we may require additional capital resources to support our future growth and development, including expanding our commodity trading activities, pursuing strategic investments or making acquisitions. If our funding requirements exceed our available financial resources, we may be required to seek additional financing or to defer or scale back planned expenditures. We cannot assure you that we will be able to obtain the necessary financing or that such financing will be at interest rates and on other terms that are commercially reasonable and affordable to us or consistent with our expectations. Our ability to raise additional funds will depend on various factors, including our financial condition, results of operations, general market conditions for capital raising and debt financing, as well as broader economic, political and other conditions.

If we raise additional funds through debt financing, we may be subject to higher borrowing costs, increased financial leverage, reduced income available for reinvestment, limitations on our ability to obtain additional financing, and restrictive covenants on our business and operations. Increased indebtedness could also limit our financial flexibility, reduce our ability to withstand competitive pressures and make our business more vulnerable to economic downturns by exposing us to interest rate volatility, tighter credit conditions and reduced access to funding. In addition, servicing our debt obligations may place significant demands on our cash flows. If we are unable to service our debt obligations or to comply with any applicable covenants, we may be in default, which could materially and adversely affect our business, results of operations, financial condition and growth prospects.

Our profitability is sensitive to fluctuations in commodity prices.

Our profitability is sensitive to fluctuations in commodity prices. See "Financial Information — Significant Factors Affecting Our Results of Operations — Commodity Prices" for more details. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our gross profit margin of commodity trading was 0.7%, 0.6%, 0.6%, 0.1% and 1.9%, respectively.

The commodity prices are subject to various factors beyond our control, including changes in commodity supply and demand, procurement costs, energy prices, geopolitical developments, trade policies and other macroeconomic conditions. We may not be able to pass on increases in procurement costs to our customers in a timely manner, or at all, particularly in a competitive market environment. As a result, any fluctuations in commodity prices or mismatch between changes in procurement costs and trading prices may materially and adversely affect our business, results of operations, financial condition and growth prospects.

Our trading activities involve holding inventories of commodities, and any failure to effectively manage the associated inventory risks could materially and adversely affect our business, results of operations and financial condition.

As part of our trading activities, we may hold inventories of commodities for certain periods prior to delivery to customers, or inventories that are not yet contracted for sale at pre-determined prices. In particular, for profit-driven basis trading and unilateral spot trading, we may commence trading before a corresponding customer order has been secured and may therefore hold the relevant commodities for subsequent sale. See "Business — Our Business — Trading Strategies" for more details. As of December 31, 2023, 2024 and 2025 and May 31, 2026, our balance of inventories was RMB11,441.3 million, RMB16,149.0 million, RMB18,262.4 million and RMB20,962.9 million, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Inventories" for more details.

The management of inventories requires substantial working capital and may give rise to liquidity pressure, including funding requirements for inventory purchases, storage and logistics costs, and margin obligations associated with hedging activities. During periods of heightened market volatility or operational disruption, our liquidity needs may increase significantly.

Furthermore, we remain exposed to inventory-specific operational risks, including losses arising from storage losses, damage, fire, natural disasters or other incidents. If such losses occur, we may be unable to meet our contractual delivery obligations and may be subject to legal liabilities and financial losses. In addition, insurance coverage may not be sufficient to fully cover such losses in all circumstances. Any failure to effectively manage the risks associated with our inventory holdings could materially and adversely affect our business, results of operations and financial condition.

We depend on certain key personnel and our ability to attract and retain key personnel for our operations.

The success of our business depends on our ability to attract and retain key personnel, including members of our senior management and other employees with in-depth knowledge of our industry and operations. We cannot assure you that we will be able to attract or retain qualified personnel on acceptable terms, or that our senior management or other key personnel will not retire or otherwise cease to be associated with us at any time.

We seek to retain and attract highly skilled personnel by offering competitive compensation arrangements. However, such arrangements may not be sufficient to retain existing personnel or attract new talent. The loss of any key personnel, or our inability to attract and retain suitably qualified and experienced personnel, could materially and adversely affect our business, results of operations and financial condition. In addition, if any of our key personnel fail to devote sufficient time and attention to our business, or if we are unable to replace departing personnel with individuals of comparable expertise and experience in a timely manner, or at all, our operations may be adversely affected. Any loss of key personnel, or any negative market or industry perception arising from such loss, could have a material adverse effect on our business and operations.

We are exposed to foreign currency exchange fluctuations.

The majority of our transactions are denominated in Renminbi. However, we are exposed to fluctuations in foreign exchange rates as a result of our cross-border and offshore trading activities that involve the use of currencies other than Renminbi. For example, we may import commodities into China from overseas suppliers or export commodities from China to international customers. In each case, transactions may be denominated in the currency of the relevant jurisdiction.

In 2023, 2024, 2025 and the five months ended May 31, 2026, our revenue generated from overseas countries and regions was RMB44,427.8 million, RMB31,863.2 million, RMB43,854.5 million and RMB16,244.5 million, respectively, with trading volume amounting to 14.2 million tons, 14.1 million tons, 22.2 million tons and 6.0 million tons for the respective periods. As a result, we may incur costs or receive revenues in currencies other than Renminbi. Where commodity purchase or sale transactions are denominated in foreign currencies, we may adopt a prudent foreign exchange risk management approach by entering into foreign exchange forward contracts from time to time to basically lock in exchange rates for certain anticipated foreign currency cash flows, thereby reducing the impact of exchange rate fluctuations on our costs and revenues. In 2023 and 2024, we recorded net foreign exchange gains of RMB44.0 million and RMB3.2 million, respectively. In 2025 and the five months ended May 31, 2025 and 2026, we recorded net foreign exchange losses of RMB170.5 million, RMB110.8 million and RMB151.5 million, respectively. See "Financial Information — Review of Historical Results of Operations — Other Income and Gains" for more details. However, there are generally limited hedging instruments available to effectively manage our exposure to fluctuations between the Renminbi and certain other currencies. The cost of such hedging instruments may be volatile and may, at times, outweigh the benefits of reduced currency risk. The effectiveness of such hedging instruments may also be limited, and we may not be able to hedge our foreign exchange exposures successfully, or at all.

In addition, foreign exchange rates have been subject to significant fluctuations in recent years. Any depreciation of the Renminbi against the currencies in which we incur significant costs or receive revenues may increase our operating costs in Renminbi terms and could adversely affect our margins and financial performance. In addition, movements in exchange rates may be influenced by market forces, governmental or regulatory policies, political and economic conditions and foreign exchange controls in the jurisdictions in which we operate. Any adverse movements in foreign exchange rates could increase our costs or reduce our revenues and, as a result, materially and adversely affect our business, results of operations and financial condition.

We face intense competition in our industry.

The industry in which we operate is highly competitive. We compete with a number of domestic and international companies. Mergers and acquisitions in our industry may result in even more resources being concentrated among a small number of our competitors. If we fail to compete effectively, we may no longer be able to maintain our current market position in the future. As a result, our business, results of operations, financial condition and growth prospects may be materially and adversely affected. In addition, our competitors, suppliers and customers may seek to extend their reach throughout the industry value chain, which in turn could intensify the competition in our industry. Competition could have an adverse impact on the demand for, and pricing of, our commodity products, which in turn affects our business, results of operations, financial condition and growth prospects.

Our hedging strategy may not always be effective and we do not hedge all risks.

Our trading activities involve a large number of purchase and sale transactions across multiple commodities. When we purchase a commodity from a supplier without immediately having a matching contract to sell it to a customer, a decline in the commodity price could lead to losses. Conversely, when we agree to sell a commodity to a customer without immediately having a matching contract to acquire it from a supplier, an increase in the commodity's price could result in losses as we seek to acquire it in a rising market.

To manage the risks in our trading activities related to price fluctuations and potential losses, we primarily conduct basis trading through the use of derivative instruments either on commodities' exchanges or in the over the counter ("OTC") market. If these markets are disrupted, our ability to manage price risk could be affected, which could in turn materially impact our business, financial condition, and results of operations.

We are exposed to fluctuations in commodity supply and demand and commodity prices, which could materially and adversely affect our business, financial condition and results of operations.

The current and expected supply and demand for the commodities we trade fluctuate over time as a result of a wide range of factors, including resource availability, government policies and regulatory changes, geopolitical developments and tensions, global and regional economic conditions, end-market demand for products that use such commodities, technological developments, changes in global production capacity, weather conditions and natural disasters. These factors affect global commodity markets and, in turn, influence both current and expected future commodity prices, including the shape and movement of commodity price curves. A decline in the volume of commodities traded by us, or a decline in commodity prices, could materially and adversely affect our business, financial condition and results of operations.

In addition, adverse global or regional economic and financial conditions, or downturns affecting specific countries, regions or industry sectors in which we operate, could have a material adverse effect on our business, financial condition and results of operations. For example, insolvency or financial distress of key suppliers could disrupt supply chains, lead to unmatched commodity price exposures, and reduce commodity availability. Significant price volatility may cause customers or suppliers to fail to meet contractual obligations. Tightening credit conditions could increase the cost or difficulty of obtaining financing, while declines in inventory value could result in write-downs.

As we continue to expand our operations, we are increasingly exposed to risks arising from fluctuations in global and regional supply and demand for the commodities we trade. Government policies and regulatory changes, as well as geopolitical developments and tensions, may also materially affect commodity prices and trading flows. For example, sanctions, export control, tariffs and other trade restrictions imposed by the U.S. and European countries may adversely impact

commodity prices and limit the availability of commodities for trade. During the Track Record Period, given that revenue generated from sales to the United States accounted for less than 0.4% of our total revenue in each period during the Track Record Period, we believe that we are not exposed to any material risks associated with recent international trade policies and regulations, and that such policies and regulations have not had, and are not expected to have, a material adverse effect on our business, results of operations and financial condition.

In addition, the recent geopolitical tensions and ongoing conflicts in Middle East have led to a surge in the prices of crude oil and natural gas. Consequently, such price surge resulted in fierce fluctuations in the prices of chemical products and other related commodities, rise in international shipping costs and disruption in logistics routes, which may, in turn, increase our procurement and transportation costs. Any of the foregoing factors could materially and adversely affect our business, financial condition and results of operations. However, given the limited scale of our business operations in the Middle East, we believe that the recent geopolitical tensions in the region have not had, and are not expected to have, a material adverse effect on our business, results of operations, financial condition during the Track Record Period.

Commodity trading requires access to significant amounts of freight, storage, infrastructure and logistics support and we are exposed to increases in the costs thereof.

Our trading activities involve the transportation and shipment of commodities in large quantities by sea, rail and road. As a result, our operations depend on access to sufficient storage, berthing and handling facilities at ports, freight terminals and other logistics hubs. Any limitations in such facilities may result in delays in the loading or unloading of commodities and expose us to delivery disruptions. Constraints or interruptions in rail, shipping or port capacity could impede our ability to deliver commodities to customers in a timely manner. In addition, increases in freight and transportation costs could materially and adversely affect our business, results of operations or financial condition.

With respect to road transportation, our ability to deliver the commodities we procure to customers may be adversely affected by the availability and capacity of transportation networks, as well as rising transportation costs. Such risks may be exacerbated by events including earthquakes, serious traffic accidents, labor strikes, traffic congestion during holiday seasons or other disruptions, any of which could materially and adversely affect our business, financial condition and results of operations.

We also require significant storage capacity for the commodities we trade. Any reduction in our ability to access storage facilities at customary capacity levels, or any increase in the cost of obtaining such storage capacity, could adversely affect our business. In such circumstances, we may be forced to rely on storage facilities in less favorable locations or at higher costs, which could reduce the profitability of supplying commodities to customers.

In addition, significant fluctuations in freight costs may have a material impact on the profitability of our trading activities with respect to certain commodities. We source freight services primarily from third-party providers, and any difficulty in securing sufficient freight capacity on acceptable commercial terms could materially and adversely affect our business, results of operations and financial condition.

We are subject to counterparty risk in our marketing activities.

Our marketing activities are exposed to non-performance risk by our suppliers and customers. For example, a significant increase in commodity prices could lead suppliers to refuse to honor their contractual commitments, while a price reduction could cause customers to be unwilling or unable to fulfill their purchase obligations. Additionally, customers may take delivery of commodities but fail to meet payment obligations due to financial distress or other reasons.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-performance by our suppliers and customers that would have a material adverse effect on our business, results of operations and financial condition. However, we cannot assure you that our efforts to reduce counterparty non-performance risk will be effective in all cases or that our financial results will not be adversely affected by the failure of one or more counterparties to fulfill their contractual obligations in the future. Any such failure could materially and adversely affect our business, results of operations and financial condition.

Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risks.

Our trading activities are exposed to a wide range of risks. The nature and extent of such risks vary depending on the relevant trading strategy and primarily include credit risk, logistics risk and commodity price risk. See "Business — Our Business — Trading Strategies" for details of the principal risks associated with each trading strategy and "Business — Risk Management" for details of the corresponding risk management measures.

Our policies and procedures for identifying, monitoring and managing risks have not been fully effective in the past and may not be fully effective in the future. Certain of our risk monitoring and management methods are based on historical market behavior, which may not be an accurate predictor of future market conditions. Other risk management methods rely on the evaluation of information relating to markets, suppliers, customers and other matters that is publicly available or otherwise accessible to us, which may not in all cases be accurate, complete, timely or properly evaluated. The management of operational, legal and regulatory risks also requires, among other things, effective policies and procedures to properly record, monitor and verify a large number of transactions and events, and such policies and procedures may not always operate as intended. In addition, counterparty credit risks cannot be eliminated entirely. Any failure to adequately identify, monitor or mitigate the risks associated with our business could materially and adversely affect our business, results of operations and financial condition.

Our basis trading is exposed to market, operational, and credit risks.

Our trading activities give rise to commodity price exposures, and we use basis trading to manage such exposures. Such arrangements are subject to inherent limitations and may not be fully effective in all market conditions. In particular, basis levels are subject to volatility and may change due to a wide range of factors, including regional supply and demand conditions, inventory levels, seasonal patterns and regulatory or policy developments. As a result, adverse movements in basis levels may prevent us from effectively offsetting changes in the value of our physical positions and may result in losses.

Our basis trading activities also involve execution and operational risks. Such arrangements typically require us to manage multiple interrelated transactions, including physical commodity contracts and related futures or pricing instruments, which may not always be executed simultaneously or on identical terms. Differences in pricing timing, volumes, delivery schedules or contract tenors may result in mismatches that expose us to execution risks. Market volatility, limited liquidity or operational constraints may also restrict our ability to establish, adjust or close out related positions at desired prices or within desired timeframes. In addition, such activities are subject to operational risks arising from process failures, system limitations or human error, and, in certain cases, employee misconduct. In addition, we are exposed to credit risks in connection with our basis trading activities. Our counterparties may fail to perform their obligations under physical or related futures contracts. Any such failure could result in unhedged exposures, settlement losses or delays and could materially and adversely affect our business, results of operations and financial condition.

We plan to expand our presence in overseas markets and thus is subject to uncertainties and risks.

We have been continually advancing our international presence in overseas markets. Development and expansion in the overseas markets have been part of our long-term strategy. Accordingly, we have faced and continue to face numerous risks, including legal, regulatory, political, economic, commercial and other risks associated with manufacturing and operating in various jurisdictions, any of which could negatively affect our financial performance. These risks include: (i) lack of familiarity with local operating and market conditions; (ii) difficulties and costs of staffing and managing overseas operations; (iii) difficulties in managing relationships with local communities and potential disputes with them; (iv) labor disputes and work stoppages at our operations and suppliers; (v) complex supply chain and shipping logistical challenges; (vi) legal, regulatory, political, economic and commercial instability and uncertainty; (vii) changes in foreign trade policies and regulations by local authorities, including those in relation to economic sanctions, export controls, and import restrictions, as well in trade barriers such as unfavorable changes in tariffs or quotas, particularly, in light of navigating the changing relationships between major economies; (viii) difficulty in coping with possible conflict of laws resulting from sanctions and import/export controls measures of different jurisdictions where we operate; (ix) complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws; (x) difficulty in enforcing agreements and collecting overdue receivables through local legal systems; and (xi) foreign currency exchange rate fluctuations.

We operate in both PRC and various overseas jurisdiction, where economic, regulatory, and governance environments have evolved in recent decades. Changes in market conditions or regulations across these regions may impact our business, prospects, results of operations and financial condition. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the [**REDACTED**] and [**REDACTED**] in our H Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

Our historical results of operations may not be indicative of our future performance.

Our historical results and growth may not be indicative of our future performance. We may be unable to sustain the same level of results of operations and financial performance, or our revenue, gross profit and net profit may decline. We may also encounter unforeseen difficulties in operations. Failure to address these risks and challenges may affect our business and financial performance. You should therefore not rely on our historical results of operations as indication of our future performance.

We utilize factory warehouses certified by futures exchanges to generate exchange-recognized warehouse receipts, and any withdrawal or non-renewal of such certifications may adversely affect our business operations.

As of the Latest Practicable Date, we had 20 factory warehouses certified by futures exchanges in China, including the Shanghai Futures Exchange, the Dalian Commodity Exchange, the Zhengzhou Commodity Exchange and the Guangzhou Futures Exchange. These certified warehouses enable us to generate exchange-recognized warehouse receipts that may be used as delivery instruments for the settlement of futures contracts. Although our utilization of such warehouse receipts during the Track Record Period business was limited, the certifications represent market recognition of our trading and service capabilities and provide operational efficiencies for our trading activities by allowing us to defer physical delivery arrangements in certain circumstances. If any futures exchange were to suspend, revoke or refuse to renew the certification of our factory warehouses, or if we were otherwise unable to maintain such certifications, we may be required to rely on alternative delivery arrangements, including physical

delivery settlement. Such alternative arrangements may result in increased delivery costs, reduced operational efficiency, and less flexibility in managing delivery flows. As a result, our reputation, business and results of operations may be adversely affected.

We may be adversely affected by economic sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organizations, including the EU, the UK, the United Nations and Australia, have implemented economic sanctions through executive orders, legislation and other governmental measures. See "Regulatory Overview — Law and Regulations in Relation to International Sanctions" and "Regulatory Overview — U.S. Export Controls". These sanctions may target certain countries or regions, industry sectors, groups of companies or persons, and/or organizations.

During the Track Record Period, we procured and distributed commodities on a global scale. While we primarily conducted domestic trading within China, we also, to a lesser extent, imported commodities into China and exported commodities from China to overseas markets. In addition, we conducted triangular trading and local trading in overseas markets from time to time, primarily for ferrous metals and steelmaking raw materials. During the Track Record Period, we did not transact in countries or regions subject to comprehensive territorial sanctions. In addition, to mitigate potential sanctions, export control and import restriction risks, we have implemented a sanctions compliance policy and provide periodic training to relevant employees on topics such as the overview of Export Administration Regulations ("**EAR**") and the application of the Entity List and Specially Designated Nationals and Blocked Persons List ("**SDN List**"). We also maintain internal controls over counterparty selection and management through our enterprise resource planning ("ERP") system, under which counterparties must be selected from an approved counterparty database prior to contract execution. Counterparties identified as involving elevated compliance risks, including sanctions-related risks, may be subject to internal review and classified as restricted (including blacklisted or greylisted), after which they will be blocked from being selected for new transactions in the system. As advised by our International Sanctions Legal Advisor after performing the procedures they deem necessary, since we did not engage in Primary Sanctioned Activity and did not have business activities in Comprehensively Sanctioned Countries during the Track Record Period, our transactions did not represent a risk of violation of applicable international sanctions and export control regulations. Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant PRC laws and regulations relating to import restrictions in all material respects, on the basis that no material administrative penalties or regulatory actions had been imposed on us by the relevant PRC governmental authorities.

International Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. New requirements or restrictions could come into effect which might increase the scrutiny on our business. Our business and reputation could be adversely affected if the authorities of the U.S., the EU, the UK, the United Nations, Australia or any other jurisdictions were to determine that any of our activities constitutes a violation of the sanctions they impose or provides a basis for them to impose sanctions against our Group. In such events, our financial results may be materially and adversely affected. Any of the above factors could lead to, among others, business disruptions and loss of sales, which could have a material and adverse effect on our business operations and overall growth strategies.

Expansion and acquisitions of our investments in businesses, products, technologies or production capacity could subject us to risks and uncertainties.

We plan to continually and actively seek strategic opportunities for acquisitions of or investments in businesses and products that we believe would benefit our sales network. We may not be able to successfully execute our expansion and acquisition plans, and complete the relevant

transactions as expected. Our ability to grow through acquisitions and investments depends upon our ability to identify, acquire and integrate suitable targets and to obtain necessary financing on reasonable terms. In particular, acquisitions and investments may involve significant risks and uncertainties, including (i) difficulties in integrating acquired companies, personnel, equipment, facilities or products, as applicable, into our business to realize the anticipated benefits and synergies; (ii) challenges in determining an appropriate purchase price for the target, which may result in overvaluation or failure to fully reflect potential risks; (iii) diversion of our management's time and attention from other business operations; (iv) higher integration costs than anticipated; and (v) difficulties in retaining key employees of acquired businesses.

Meanwhile, we may be unable to achieve the anticipated effects or returns from our investments and recover such investments in time. An acquisition could also impair our results of operations by causing us to incur debt or amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy, integrity and security, service quality, regulatory compliance and liabilities in acquired businesses which we did not uncover prior to such acquisitions. Consequently, we may be subject to penalties, lawsuits or other liabilities.

We recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow in the future.

We recorded net cash outflows from operating activities during the Track Record Period. See "Financial Information — Liquidity and Capital Resources — Cash Flows Analysis." Net operating cash outflow could impair our ability to make necessary capital expenditures and constrain our operational flexibility as well as adversely affect our ability to meet our liquidity requirements. We may continue to experience net cash outflows from our operating activities in the future and as we expand. If we are unable to maintain adequate working capital, we may default in our payment obligations and may not be able to meet our capital expenditure requirements or pursue our growth strategies, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

We may get exposed to credit risks, which could negatively impact our financial condition, results of operations and operating cash flow.

We are exposed to credit risk related to delay in payment and defaults of our customers. As of December 31, 2023, 2024 and 2025 and May 31, 2026, the balances of our trade and notes receivables amounted to RMB5,142.8 million, RMB6,399.2 million, RMB5,584.8 million and RMB6,390.3 million, respectively. As of December 31, 2023, 2024 and 2025 and May 31, 2026, we recognized impairment of trade and notes receivables of RMB569.8 million, RMB389.3 million, RMB461.1 million and RMB511.7 million, respectively.

Our trade and notes receivables balance may continue to increase along with our business growth, which may increase our credit risks. We cannot guarantee that customers will settle our trade receivables within the credit period, and our trade receivable balances and average turnover days may increase in the future. Moreover, macroeconomic conditions could also result in financial difficulties for our customers, including operational and liquidity difficulties, limited access to the credit markets, insolvency or bankruptcy, and as a result could cause our customers to delay payments to us or default on their payment obligations to us. Under certain circumstances, we may have to sue our customers for outstanding payments, which may cost our additional resources for the litigations. If we are unable to collect trade receivables from customers, our business, financial condition and results of operations may be materially and adversely affected.

Fair value changes for our financial assets at fair value through profit or loss and derivative financial instruments may materially and adversely affect our results of operations and financial performance.

As of December 31, 2023, 2024 and 2025 and May 31, 2026, our financial assets at fair value through profit or loss amounted to RMB476.3 million, RMB600.7 million, RMB1,327.2 million and RMB4,139.1 million, respectively. In addition, we invested in derivative financial instruments from time to time during the Track Record Period, which were also measured at fair value with changes recognized in profit or loss. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position."

For investments underlying our financial assets at fair value through profit or loss and derivative financial instruments with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. These techniques include net asset value of underlying investments and discounted cash flows. Valuation techniques are certified by independent and recognized business valuers before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the specific data. However, some inputs, such as the probability of redemption of preference shares, require management estimates and assumptions, which are adjusted if necessary. Should any of the estimates and assumptions be changed, it might lead to a change in the fair value of the financial assets and derivative financial instruments.

The fair value of our financial assets at fair value through profit or loss and derivative financial instruments are subject to other factors beyond our control. We are exposed to credit risk in relation to the investments underlying our financial assets at fair value through profit or loss, which may adversely affect the net changes in their fair value. Furthermore, foreign currency risk and commodity price risk derived from our investments in derivative financial instruments may lead to fluctuations in their fair value changes, contributing to the volatility of our financial performance. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our investments underlying financial assets at fair value through profit or loss and derivative financial instruments in the future. If the fair value of our financial assets at fair value through profit or loss and derivative financial instruments were to fluctuate due to these reasons, our business, financial condition and results of operations could be materially adversely affected.

We are subject to risks and uncertainties associated with our investments in associates.

We have invested in associated companies and may continue to do so in the future. The performance of such associates has affected, and will continue to affect, our results of operations and financial position. Our investments in associates, recorded as investments accounted for using the equity method, which amounted to RMB831.1 million, RMB764.5 million, RMB700.3 million and RMB969.9 million, respectively, as of December 31, 2023, 2024 and 2025 and May 31, 2026.

Our investments in associates are subject to liquidity risk. Our investments in associates are not as liquid as other investment products as there is no cash inflow until dividends are received even if the associates reported profits under the equity method of accounting. Furthermore, our ability to promptly sell one or more of our interests in our associates in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquidity nature of our investment in associates may significantly limit our ability to respond

to adverse changes in the performance of our associates. The success of an associate depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from such associates, such as receiving dividends from them.

We received government grants and preferential tax treatment during the Track Record Period, and any discontinuation of government grants or preferential tax treatment or any change in the relevant policies may adversely affect our results of operations and financial performance.

During the Track Record Period, we received certain government grants and preferential tax treatment according to relevant policies. Certain of our PRC subsidiaries are entitled to preferential tax treatments and other government incentives. See "Financial Information — Review of Historical Results of Operations — Other Income and Gains." The government grants we received during the Track Record Period represented various forms of incentives and subsidies granted to our Group by local government authorities in the PRC. We cannot guarantee that we will receive such government grants and preferential tax treatment in the future, and our financial condition and results of operations may be adversely affected if we fail to obtain such government grants in the future.

There is uncertainty about the applicability or recoverability of our deferred tax assets.

We had deferred tax assets of RMB797.6 million, RMB1,350.8 million, RMB1,385.7 million and RMB1,447.5 million as of December 31, 2023, 2024 and 2025 and May 31, 2026. We recognize deferred tax assets for deductible temporary differences, the carry forward of any unused tax credits and any unused tax losses to the extent that our management determines that it is probable that we will generate future taxable profit against which such deferred tax assets can be utilized. See Note 3 and Note 29 to the Accountants' Report set out in Appendix I for further details on our accounting policy with respect to deferred tax assets and on the movements of our deferred tax assets during the Track Record Period.

Such determination requires significant judgment from our management on the tax treatments of certain transactions as well as assessment on the probability, timing and adequacy of future taxable profits for the deferred tax assets to be recovered. If such judgments turn out to be imprecise, we may need to adjust our tax provisions accordingly. In addition, when we utilize deferred tax assets against our future taxable profit, we charge them to our income statement accordingly, which in turn would decrease our tax payables. Furthermore, we cannot predict any future movements in our deferred tax assets and to what extent they may affect our financial position in the future. Any of these events may have a material adverse effect on our business, financial condition and results of operation.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

During the Track Record Period, we conducted our operations through subsidiaries in China and multiple overseas jurisdictions to expand our operation in the international markets. Our cross-border intra-group transactions primarily include purchase and sales of the commodities we trade, to facilitate payment convenience for our overseas customers.

There is no assurance that the relevant tax authorities would not subsequently challenge the appropriateness of our intra-group transactions arrangement or that the relevant regulations or standards governing such arrangement will not be subject to future changes. If the relevant tax authorities later find that the pricing policy and the terms that we applied are not appropriate, such authorities may require us to re-assess our pricing policy and re-allocate the income or adjust the taxable income. Any such reallocation or adjustment could result in a higher tax liability for us and may adversely affect our business, financial condition and results of operations.

We may not be able to fulfill our obligations in respect of contract liabilities, which may adversely affect our business, financial condition and results of operations.

Contract liability is the obligation to transfer goods or services to a customer for which we have received a consideration (or an amount of consideration that is due) from the customer. As of December 31, 2023, 2024 and 2025 and May 31, 2026, our contract liabilities amounted to RMB4,954.1 million, RMB6,312.8 million, RMB7,498.5 million and RMB10,917.5 million, respectively. If we fail to honor our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our liquidity position and financial condition. In addition, if we fail to honor our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our results of operations in the future.

Failure to comply with PRC property-related laws and regulations regarding certain properties may adversely affect our business.

We own and lease properties in China in connection with our business operations. Some of these properties do not meet certain property-related requirements under PRC laws and regulations. For example, as of the Latest Practicable Date, the actual use of certain leased properties was inconsistent with the designated property use as specified in their property ownership certificates. 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.

As of the Latest Practicable Date, certain leased properties for operation were not registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Our PRC Legal Advisor has advised us that failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreements but could result in the imposition of fines ranging from RMB1,000 to RMB10,000 for each lease agreement that is unregistered if we fail to rectify the non-compliance within the time frame prescribed by the relevant authorities.

As of the Latest Practicable Date, certain lessors of our lease properties have not provided us with the property ownership certificate or any other relevant authorization documents evidencing the rights of lessors to lease the properties. If the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor, our lease could be invalidated or terminated as a result of challenges by third parties. If that occurs, we may have to renegotiate the leases with the landlords or other parties who have the right to lease the properties, on terms less favorable to us, or we may be forced to relocate, which may negatively influence our business and results of operations.

Since we require various approvals, licenses, permits and certifications to operate our business, any failure to obtain or renew any of these approvals, licenses, permits and certifications could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain approvals, licenses, permits and certifications in order to operate our business. We cannot guarantee that we will be able to obtain and maintain all requisite approvals, licenses, permits and certifications for our business operations. In addition, as the regulatory regime for the industries in which we operate continues to evolve, new laws, regulations and regulatory requirements are promulgated and implemented. We may be required to obtain approvals, licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. In the event of noncompliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain or maintain the necessary approvals, licenses, permits and certifications required

by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See "Regulatory Overview" for further details on the requisite approvals, licenses, permits and certifications for business operations.

We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties. There is no assurance that our historical and current practice will at all times be deemed in full compliance with relevant laws and regulations by government authorities.

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees, as required by the relevant PRC laws and regulations, and our Company and certain of our subsidiaries engaged third-party human resource agencies to pay social insurance and housing provident funds for certain of our employees. See "Business — Employees — Social Insurance and Housing Provident Funds."

Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount social insurance as required, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

In addition, as the interpretation and implementation of the Labor Contract Law, the Social Insurance Law and other labor related regulations are evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations, we cannot assure that such risks we may be exposed to will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints.

We may not be able to protect our intellectual properties against infringement.

We consider our trademarks and other intellectual property rights to be critical to our success and competitive advantage. We register and protect such intellectual property rights to the extent that we are able to under relevant local laws. See "Business — Intellectual Property." We cannot assure you that the steps we have taken to protect our intellectual property rights are sufficient, or that such intellectual property rights will not be subject to infringement in the future. Any unauthorized use of such intellectual property rights could harm our brands and reputation, which could adversely affect our financial condition and results of operations. In addition, our results of operations may be adversely affected as a result of incurring additional costs and the diversion of management's attention when initiating any intellectual property right claims.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, some of our customers settled payments with us through accounts of third-party payors other than the contractual counterparties under the corresponding agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder. See "Business — Internal Control — Third-Party Payment Arrangements."

We were subject to various risks relating to such Third-party Payment Arrangements, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential money-laundering risks as we have limited knowledge about the source of the funds utilized by the third-party payors and their identities. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal or regulatory actions) instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims, legal proceedings or regulatory actions, and we may be forced to comply with the court ruling or order and return the payment for the products that we sold.

If any fraud, bribery or other misconduct is committed by our employees, suppliers, customers or other third parties, we may be subject to economic losses and reputational damage.

We may face fraud, bribery or other misconduct committed by employees, suppliers, customers or other third parties, which could lead to financial losses and penalties from government authorities. Our internal control procedures may not be able to promptly identify all non-compliance, suspicious transactions, fraud, corruption, bribery or other misconduct, nor prevent or stop such occurrences. Our risk management systems and internal control capabilities are limited by the information and risk management tools and technologies available to us. Our ability to implement and maintain strict internal controls may be affected by the continual expansion of our business scale. Any misconduct by third parties that harms our interests could result in negative publicity, damage our reputation and lead to litigation and other legal proceedings, as well as administrative or criminal penalties, thereby adversely affecting our business and financial performance.

If our third-party service providers do not satisfactorily fulfill their commitments and responsibilities, our business and financial performance could be adversely affected.

In conducting our business, we rely on certain services provided by third parties to support various aspects of our operations, such as logistics service providers. These third parties face risks similar to ours, such as business interruption, system failure and human error, risks related to cybersecurity and data protection, as well as their own legal, regulatory and market risks. Our third-party service providers may not be able to fulfill their respective commitments and responsibilities in a timely manner and in accordance with the terms agreed with us or applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material failure in fulfillment of commitments or responsibilities by our third-party service providers. However, there can be no assurance that such third-party service providers will fully perform their contractual obligations in the future.

Additionally, we may not be able to control the business operations or governance and compliance systems, business practices, and operating procedures of our third-party service providers. If we are unable to effectively manage our relationships with third-party service providers, or if our third-party service providers fail to satisfactorily fulfill their commitments and responsibilities for any reason, our business, operating results and financial condition will be affected. There can be no assurance that we can continue or extend relationships with our current third-party service providers on terms acceptable to us, or that we will be able to establish relationships with new third-party service providers to ensure accurate, timely and cost-efficient

delivery of such services. When existing contracts with third-party service providers expire, we may not be able to renew them on terms favorable to us or find suitable replacements in a timely manner, which could adversely affect our business and financial performance.

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 were not involved in any material threatened or pending complaints, disputes or lawsuits relating to contract breach, employment or labor disputes, intellectual property infringement or environmental matters, which would have a material adverse effect on our business. However, there is no assurance that such complaints, disputes or lawsuits filed by or against us will not occur in our future operations. Any complaints, disputes and lawsuits filed by or against us, whether or not meritorious, could result in significant costs and diversion of resources, and could cause serious damage to our reputation. In addition, complaints, disputes and lawsuits filed against us may result from improper supplies to us, while our suppliers may not compensate us for any costs incurred by us as a result of such complaints, disputes and lawsuits in a timely manner, or at all. In that case, our business and financial condition may be negatively affected.

Our insurance coverage may be insufficient to cover all potential liabilities or losses.

We maintain different types of insurance policies to cover our operations. See "Business — Insurance." According to Frost & Sullivan, our existing insurance coverage is in line with industry practice and adequate for our business operations. However, there may be circumstances under which certain types of losses, damages and liabilities are not covered by our insurance policies. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we could suffer significant costs and diversion of our resources, which could have a material and adverse effect on our business, financial condition and results of operations.

Failures or security breaches of our information technology systems could affect our business.

Information technology is an important part of our business operations, and we increasingly rely on our information technology systems to monitor and manage all aspects of our business including procurement, quality control, warehousing and logistics, sales and distribution. Our information technology systems may be vulnerable to a variety of interruptions, including natural disasters, telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorized access attempts and other security breaches. The technology security initiatives and disaster recovery plans we have implemented to address these may not be adequate. Any significant failure of our systems, including failures that prevent our systems from functioning as intended could cause transaction errors, processing inefficiencies and loss of customers and sales, resulting in a negative impact on our operations or business reputation. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material malfunctioning, failure or security breach of our IT system. However, we cannot assure you that such interruptions in our IT system will not occur in the future.

In addition, the laws and regulations regarding privacy and data protection are relatively new and constantly evolving. If we are unable to comply with the applicable data protection and information security laws, or to address any data privacy and protection concerns, such actual or alleged failure could damage our reputation, impair our brand image and could subject us to significant legal, financial and operational consequences. If our network security is compromised, and such information is stolen or obtained by unauthorized persons or used inappropriately, we may be subject to litigation and other proceedings brought by customers and relevant authorities. Any such proceedings could divert our management's attention, result in significant financial losses and expenses, and negatively affect customers' perception of our brand.

We are subject to complex and evolving ESG requirements, which require us to devote substantial time and resources for compliance.

There is an increasing focus on corporate responsibility and a number of regulations and requirements on ESG performance pose reputational, regulatory and other risks to us. We believe that it is our responsibility to devote substantial time and resources to develop technology and products designed to reduce carbon footprint and maintain environmentally friendly business operations. Not all of our competitors may seek to establish climate or other ESG targets and goals, or at a comparable level to ours, which could adversely affect our competitiveness in the relevant market. If we are unable to satisfy such new criteria or are unable to respond or perceived to be inadequately responding to sustainability concerns, [**REDACTED**] may conclude that our policies with respect to corporate responsibility are inadequate and choose to invest in our competitors. We risk damage to our brand and our reputation in the event that our corporate responsibility procedures or standards do not meet the standards set by various third parties. In addition, in the event that we communicate certain initiatives and goals regarding ESG matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. Any of these circumstances could cause negative publicity, and our business operations could be adversely impacted.

We face risks related to health epidemics and other outbreaks, and events such as wars and acts of terrorism, which could significantly disrupt our operations.

Our business is subject to risks related to outbreaks of a widespread health epidemic or other events such as war, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of any of the foregoing events may harm the global and regional economy in general, disrupt the industry in which we operate, and have an adverse effect on our business, results of operations and financial condition.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

We need to ensure our compliance with relevant laws or regulations, and changes in the regulatory regime relating to the sectors where we operate our business may materially and adversely affect our business, financial condition and results of operations.

Our business is subject to various compliance and operational requirements under applicable laws and regulations. Complying with laws, rules and regulations may require investments of various related resources, and any material non-compliance may expose us to liability or penalty. In case of any material non-compliance, we may have to incur significant expenses and divert substantial management time to rectifying such non-compliance incidents.

The operations of our business are subject to various laws, rules and regulations at the regional and national levels of the industry in which we operate in China. See "Regulatory Overview." In recent years, the PRC government has, on many occasions, promoted the development of regulations in the commodity industry services and trading sector. New laws, rules or regulations and revisions to any existing laws, rules and regulations can impose additional compliance costs, reduce our revenue, and require us to change our operations to ensure compliance or otherwise change our business. In addition, there can be no assurance that we will successfully adapt to the interpretation or implementation dynamics of current regulatory regulations, as well as new regulations that may come into effect. Failure to do so may adversely affect our business, financial condition and results of operations.

Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payments to holders of our Shares and our ability to finance in foreign currencies.

The conversion of RMB is subject to applicable laws and regulations in the PRC. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders, or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results, and financial condition, may be affected.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese Mainland. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be complex for [**REDACTED**] to effect service of process outside of Chinese Mainland upon us, our Directors, or senior management or to enforce judgments obtained against us in courts outside Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese Mainland only if the jurisdiction has a treaty with Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. On July 3, 2008, the Supreme People's Court and the Government of the Hong Kong Special Administrative Region promulgated the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2008 Arrangement"). Under the 2008 Arrangement, where any designated court of Chinese Mainland or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant court of Chinese Mainland or Hong Kong court for recognition and enforcement of the judgment. On January 25, 2024, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region promulgated the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2024 Arrangement"), which became effective on January 29, 2024. The 2024 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese Mainland and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of 2008 Arrangement which is made before the effective date of 2024 Arrangement.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities [REDACTED] and [REDACTED] issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the "Overseas Listing Regulations"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See "Regulatory Overview — Laws and Regulations Relating to Our Business in the PRC — Overseas Securities Issuance and Listing Regulations" for details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax

over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident [**REDACTED**], the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Our operations are subject to PRC tax laws and regulations and our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, financial performance and results of operations.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of Chinese Mainland with "de facto management bodies" located in Chinese Mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the "Circular 82"), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within Chinese Mainland as major controlling shareholders under the laws of foreign countries (regions) will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within Chinese Mainland; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in Chinese Mainland; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within Chinese Mainland; and (iv) at least half of the directors with voting rights or senior management reside within Chinese Mainland. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our Chinese Mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for our H Shares, and an active [REDACTED] market for our H Shares may not develop or be sustained.

There was no [**REDACTED**] market for our H Shares prior to the [**REDACTED**]. There can be no guarantee that a [**REDACTED**] for our H Shares with adequate liquidity and [**REDACTED**] volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and us, which may not be indicative of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] market for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares may be materially and adversely affected.

The [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [**REDACTED**] and [**REDACTED**] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions for securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [**REDACTED**] and [**REDACTED**] volume of our Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, the shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and the [**REDACTED**] of our H Shares may be subject to changes in price not directly related to our business performance.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] market could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future [**REDACTED**] of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**] market, or the [**REDACTED**] of new shares or other securities, or the perception that such [**REDACTED**] or [**REDACTED**] may occur. Future [**REDACTED**], or anticipated [**REDACTED**], of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we [**REDACTED**] more securities in the future. New shares or shares-linked securities [**REDACTED**] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and significant dilution if the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we [REDACTED] additional Shares in the future.

The initial [**REDACTED**] of our H Shares is higher than the net tangible asset value per Share of the outstanding Shares issued to our existing Shareholders immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of our H Shares in the [**REDACTED**] will experience an immediate dilution in terms of the [**REDACTED**] net tangible asset value. In addition, we may consider [**REDACTED**] and [**REDACTED**] additional Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes.

Our Controlling Shareholders have substantial influence over our Company, and their interests may not be aligned with the interests of our other Shareholders.

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), our Controlling Shareholders will hold approximately [**REDACTED**]% of the [**REDACTED**] share capital of the Company. Our Controlling Shareholders will have the ability to exercise significant influence over us, including matters relating to the nomination and election of our Directors, business strategies, dividends and other distributions and major corporate activities, including securities offerings, acquisitions or investments. The interests of our Controlling Shareholders may not align with those of our other Shareholders

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

Our historical dividends may not be indicative of our dividend policy in the future. We cannot assure you when and in what form dividends will be paid on our Shares after the [**REDACTED**]. The declaration and distribution of dividends is at the complete discretion of the Board, and our ability to pay dividends or make other distributions to our Shareholders is subject to various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not be able to have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. As a result of the above, we cannot assure you that we will make/can make dividend payments on our Shares in the future. See "Financial Information — Dividends."

If we retain most, or all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and commercialization of our pipeline products, we may not expect to pay any cash dividends in the foreseeable future. Therefore, you may not be able to rely on an [**REDACTED**] in our Shares as a source for any future dividend income.

Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [**REDACTED**] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after the [**REDACTED**] or even maintain the [**REDACTED**] at which you [**REDACTED**] the Shares. You may not realize a return on your [**REDACTED**] in our Shares and you may even lose your entire [**REDACTED**] in our Shares.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters. The words "aim," "anticipate," "believe," "could," "predict," "potential," "continue," "expect," "intend," "may," "might," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Consequently, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [**REDACTED**] should not place undue reliance on them.

Certain facts, forecasts and other statistics in this document derived from various publicly available governmental and official sources have not been independently verified and may not be reliable.

This document, particularly the section headed "Industry Overview" contains information and statistics relating to the industry in which we operate in China and globally, as well as other economic data. Such information and statistics are derived from various governmental and official sources. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisors, and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. In all cases, our [**REDACTED**] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage regarding us, our Shares or the [REDACTED].

You are strongly advised to read the entire document carefully and are cautioned against placing any reliance on the information in any press article or any other media coverage which contains information not disclosed or not consistent with the information included in this document.

Prior to the completion of the [**REDACTED**], there may be press and media coverage regarding our Group and the [**REDACTED**]. Our Directors would like to emphasize to prospective [**REDACTED**] that we do not accept any responsibility for the accuracy or completeness of such information, and such information is not sourced from or authorized by our Directors or our management team. Our Directors make no representation as to the appropriateness, accuracy, completeness and reliability of any information or the fairness or appropriateness of any forecast, view or opinion expressed by the press or other media regarding our Group or our H Shares. In making decisions as to whether to [**REDACTED**] in our H Shares, prospective [**REDACTED**] should rely only on the financial, operational and other information included in this document.

In preparation of the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our Company's headquarters, management, business operations and assets are primarily located in the PRC. The executive Director is based in the PRC, as our Board believes it would be more effective and efficient for its executive Director to be based in a location where our Company's significant operations are located. The executive Director is not or will not be ordinarily resident in Hong Kong upon the [**REDACTED**]. The Directors consider that relocation of the executive Director to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and the Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has] granted our Company, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives (the "**Authorized Representatives**"), namely Mr. Lyu Yonghong (吕永洪) and Ms. Pun Ka Ying (盤嘉盈). The Authorized Representatives will serve as our Company's principal channel of communication with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact the Directors on any matters, each of the Authorized Representatives will have means to contact all of the Directors promptly at all times. Our Company will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(b) our Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to promptly contact any of the Directors (including the independent non-executive Directors) as and when required;

(c) our Company confirms and will ensure that all Directors who are not ordinarily resident in Hong Kong possess, or can apply for, valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required; and

(d) our Company has appointed Red Sun Capital Limited as Compliance Advisor, pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will have access at all times to the Authorized Representatives, Directors and senior management of our Company, and will act as an additional channel of communication between the Stock Exchange and our Company for the period commencing on the [**REDACTED**] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [**REDACTED**].

The Compliance Advisor will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide) nor Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 11 of Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Yao Hui (姚卉) ("**Ms. Yao**") as one of our joint company secretaries. Ms. Yao is the investment manager of our Company. She joined our Group in September 2021, and has served in multiple positions responsible for compliance, risk management and control, and investment management in our Group since then. Although our Company believes, having regard to Ms. Yao's past experience in handling corporate matters, that she has a thorough understanding of our Company and our Board, Ms. Yao does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Pun Ka Ying (盤嘉盈), who possesses such qualification, to be a joint company secretary to assist Ms. Yao in the compliance matters for the [**REDACTED**] as well as other Hong Kong regulatory requirements for a period of three years commencing from the [**REDACTED**]. For the biographies of our joint company secretaries, see "Directors and Senior Management — Joint Company Secretaries" in this document. Over such three-year period, we will implement measures to assist Ms. Yao to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Ms. Yao's appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide on the following conditions:

(a) Ms. Yao must be assisted by Ms. Pun, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and

(b) the waiver is valid for a period of three years from the [**REDACTED**] and will be revoked immediately if and when Ms. Pun ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Ms. Yao will gain experience with the assistance of Ms. Pun. Before the end of the initial three-year period, we will evaluate the then experience of Ms. Yao in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Ms. Yao, having had the benefit of Ms. Pun's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with the transactions after the [**REDACTED**], which will constitute partially exempt and non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Chapter 14A of the Listing Rules in respect of the transactions. See "Connected Transactions" in this Document.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

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Non-executive Directors

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Mr. Shi Jianjun (施建軍)
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Mr. Zhang Yunchun (張雲春)
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Ms. Wang Wenjun (王文君)
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Independent non-executive Directors

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PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For details with respect to our Directors, see "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor
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[REDACTED]

[REDACTED]

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The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us, the Sole Sponsor, the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *the* [**REDACTED**], *any of their respective directors and advisers or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy.*

SOURCES OF INFORMATION

We have engaged Frost & Sullivan, an independent market research and consulting firm, to conduct an analysis and prepare a report on the global commodity industry services and trading industry. The report prepared by Frost & Sullivan for us is referred to as the Frost & Sullivan Report in this document. We have paid Frost & Sullivan a total fee of RMB550,000 for the preparation of the report, which we believe reflects the market rate for such reports. Our Directors have confirmed that there has been no adverse change in the market situation since the date of the Frost & Sullivan Report which may qualify, contradict, or have impact on the information of this section.

Frost & Sullivan is a global consulting firm founded in New York in 1961. It maintains over 40 offices worldwide and has a team of more than 2,000 industry consultants, market research analysts, technical analysts and economists. Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the target research markets. Primary research involves interviewing the current industry landscape with a number of leading industry players across the entire industry value chain and conducting interviews with relevant parties to obtain objective factual data and forward-looking forecasts. Secondary research involves collating data and publications from public sources, including official statistics and announcements from government authorities, corporate reports, independent research reports, and data from Frost & Sullivan's proprietary database.

The Frost & Sullivan Report was compiled based primarily on the following assumptions: (i) The overall social, economic and political environments of the globe and China are expected to remain stable over the next decade; (ii) over the next decade, related key industry drivers are likely to continue driving growth in China, and global market. All statistical data are based on the information available as of the date of the Frost & Sullivan Report.

OVERVIEW OF COMMODITY INDUSTRY

Definition and Classification of the Commodity Industry

Commodities refer to physical goods that enter the circulation field (excluding the retail segment), possess commodity attributes, and are traded in large quantities for use in industrial and agricultural production as well as consumption, mainly including ferrous metals and raw materials, chemicals, non-ferrous metals and other categories. The prices and supply conditions of commodities serve as a "barometer" for observing the fluctuations of the global economy and are also core variables affecting national economic costs and security.

Ferrous metals and raw materials. Ferrous metals and raw materials are centered on steel and its steelmaking feedstocks, including rebar, wire rod, hot-rolled coil, scrap steel, iron ore, coking coal, coke and other products. As the backbone of modern engineering and industrial applications, ferrous metals are widely used in construction, infrastructure, machinery manufacturing, transportation, aerospace and other fields.

Chemicals. Chemicals cover crude oil, natural gas, rubber, refined oil and derivative chemicals. Crude oil and refined oil underpin the operation of industry and transportation systems; natural gas is widely used in power generation and civil sectors; as an important chemical product, rubber is extensively applied in tires, infrastructure, light industry manufacturing and other fields; derivative chemicals serve as the critical foundation for downstream industries such as materials and pharmaceuticals.

Non-ferrous metals. Non-ferrous metals include copper, aluminum, zinc, nickel and other such metals. They serve as an important material foundation for advancing the development of a country's economy, science and technology, and national defense construction, and are widely used in electronics, construction, transportation, aerospace, new energy and other industries.

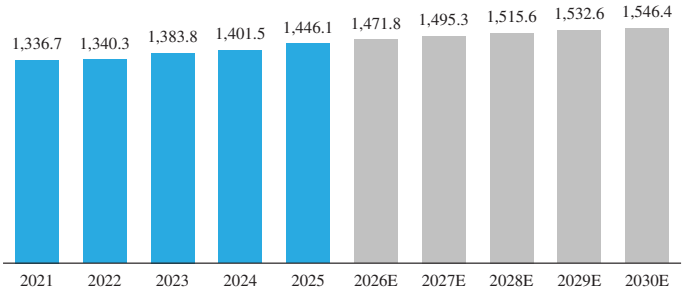
Other categories. Other categories mainly include agricultural products, covering food crops such as wheat, corn and soybeans, as well as cash crops including cotton, white sugar and coffee. These products occupy a pivotal position in the global food supply and daily life, and their price levels and supply-demand dynamics are influenced by multiple factors such as climate change, agricultural policies and trade measures.

Market Size Analysis of Major Products in China Commodity Industry

Steel is one of the major categories of commodities. Driven by the high-end upgrading of the manufacturing industry, the renewal and transformation of equipment in traditional industries, and the growing demand from emerging sectors such as NEVs, wind power and photovoltaic power, China's steel production volume is expected to maintain a growth trend in the future.

Market Size of China's Steel Production Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	2.0%	1.4%

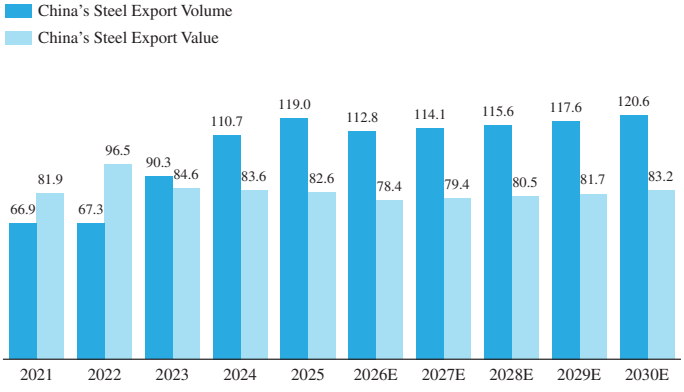


Source: Frost & Sullivan, Wind

From 2021 to 2025, driven by a rebound in demand resulting from the global economic recovery and influenced by fluctuations in steel prices, Chinese steel exports experienced an initial increase followed by stabilization, while export value rose initially and then declined in tandem with steel prices. Looking ahead, due to a slowdown in global demand, adjustments to trade policies, and industrial restructuring, export volumes are expected to decline in the short term before maintaining low-speed growth, while export value is projected to grow modestly as prices stabilize and demand recovers.

Market Size of China's Steel Export Volume & Value,
Million Tons & USD Billion, 2021-2030E

CAGR	2021-2025	2025-2030E
China's Steel Export Volume	15.5%	0.3%
China's Steel Export Value	0.2%	0.2%

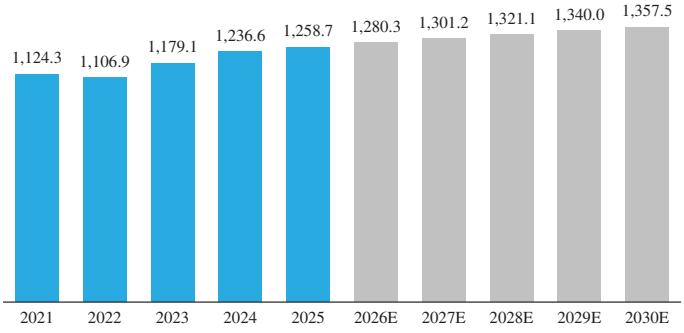


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Iron ore and its concentrates are one of the primary raw materials for steel production. Due to fluctuations in the macro economy affecting downstream sectors such as real estate and construction, the import volume of China's iron ore and concentrates decreased from 2021 to 2022. The transformation and upgrading of the manufacturing industry have driven a sustained growth in the China's import volume of iron ore and its concentrates.

Market Size of China's Iron Ore and Concentrates Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	2.9%	1.5%

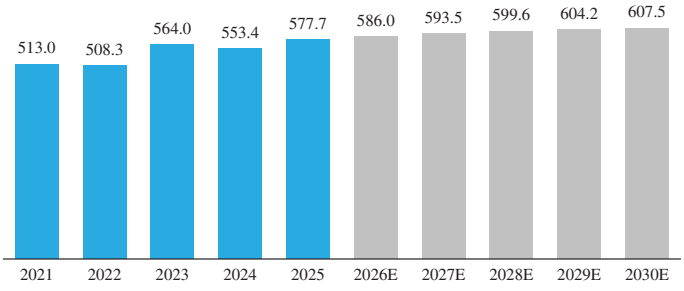


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Crude oil is one of the major products in the commodity market. Due to geopolitical conflicts and external economic instability, the import volume of China's crude oil decreased from 2021 to 2022. Through deep processing, crude oil underpins the development of important domestic industries such as engineering plastics, chemical fibers and chemical fertilizers. The sustained development of these downstream industries is a key driver for the growth in China's crude oil import volume.

Market Size of China's Crude Oil Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	3.0%	1.0%

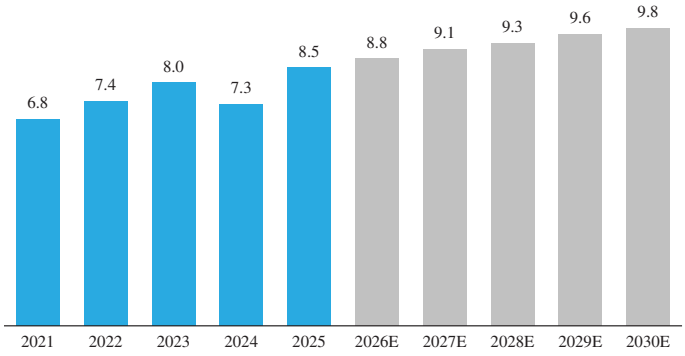


Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

Affected by the cooling demand in downstream industries such as construction and the contraction of overseas supply, China's rubber import volume witnessed slight fluctuations from 2021 to 2025. Looking ahead, the development of the NEV industry is expected to drive the demand for high-performance tires, and China's rubber import volume is projected to maintain a sustained growth trend.

Market Size of China's Rubber Import Volume
Million Tons, 2021-2030E

	2021-2025	2025-2030E
CAGR	6.0%	2.7%



Source: Frost & Sullivan, General Administration of Customs of the People's Republic of China

OVERVIEW OF COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

Definition of Commodity Industry Services and Trading

Commodity industry services refer to the provision of logistics, warehousing, distribution and other supporting services for customers around commodity transactions. Commodity trading means identifying market opportunities arising from factors such as timing mismatches or supply and demand imbalances, through industry research and market analysis, and conducting the purchase and sale of commodities to achieve its own profit goals.

Enterprise Types of the Commodity Industry Services and Trading Industry

Classified by business model, there are two main types of enterprises operating in the commodity industry services and trading industry, namely single-driven enterprises and dual-driven service & trading enterprises.

Single-driven Enterprises. Single-driven enterprises can be further divided into service-only driven enterprises and trading-only driven enterprises. Service-only driven enterprises focus on providing industrial support services such as procurement, sales, logistics, and warehousing for clients. Due to the simplicity of their business model and low entry barriers, competition among these enterprises is intense, making it easy for their profitability to be challenged. On the other hand, trading-only driven enterprises utilize research and analysis of commodity markets, macroeconomics, and industrial policies to capture market trading opportunities for profit. However, these enterprises struggle to provide stable trading services, making it difficult to maintain a consistent client base and often lacking trade channels when monetizing transactions.

Dual-driven Service & Trading Enterprises. Such enterprises leverage both scale and resource channel advantages while possessing strong industry research capabilities and mature risk management skills. They can deeply explore the core needs of clients and provide comprehensive trading solutions. By relying on their core competencies, they proactively seize market trading opportunities to realize value through trade flows, enhancing their profitability. These enterprises can accurately match the diverse needs of clients, strengthen customer loyalty and bargaining power, while also increasing profits and optimizing their profit structure through trading activities. One of the typical representatives of this type of enterprise is our Group.

Industry Chain Analysis of the Commodity Industry Services and Trading Industry

The industrial chain of the commodity industry services and trading industry centers on commodity industry service and trading providers, forming a complete industrial ecosystem that runs through upstream raw material supply and downstream end-industry services.

Industry Chain of the Commodity Industry Services and Trading Industry

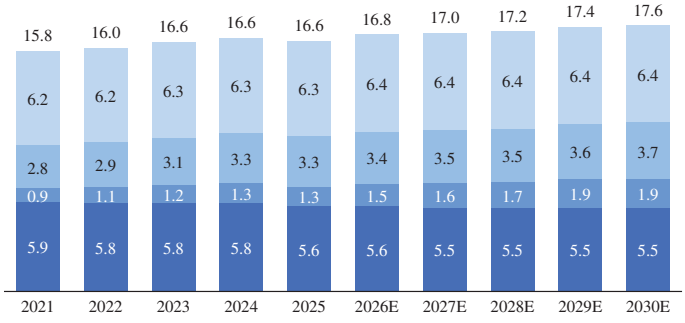
Source: Frost & Sullivan

Market Size of China's Commodity Industry Services and Trading Industry

Due to the high volatility of commodity prices, coupled with other factors including geopolitical tensions, digital transformation, and evolving service models, Asian and Chinese commodity industry services and trading market face both opportunities and challenges, with the market size exhibiting relatively steady growth. In Asian market, the trading volume increased from 26.3 billion tons in 2021 to 27.7 billion tons in 2025, with the CAGR during this period was 1.3%. Among these, the trading volume of ferrous metals rose from 9.5 billion tons to 9.7 billion tons, with a CAGR of 0.5% during this period; the trading volume of chemical products increased from 5.6 billion tons to 6.1 billion tons, with a CAGR of 2.0%; and the trading volume of non-ferrous metals rose from 2.4 billion tons to 2.8 billion tons, with a CAGR of 4.0% during this period. With Asia's economy growing steadily, coupled with the energy transition and industrial restructuring, the growth in demand for traditional commodity trading is slowing. By 2030, the trading volume is estimated to achieve 29.6 billion tons, with the CAGR of 1.3% from 2025 to 2030. Specifically, trading volumes for ferrous metals, chemicals, and non-ferrous metals increased to 9.9 billion tons, 6.6 billion tons, and 3.5 billion tons, respectively, with their CAGRs during this period at 0.5%, 1.7%, and 4.8% respectively. In the Asian commodities industry services market, the market size is projected to grow from USD6,461.3 billion in 2021 to USD7,030.4 billion in 2025, representing a CAGR of 2.1% during this period. Specifically, the sales value of ferrous metals grew from USD2,140.3 billion to USD2,276.1 billion; chemicals grew from USD1,465.6 billion to USD1,627.1 billion; and non-ferrous metals grew from USD909.3 billion to USD1,029.9 billion, with CAGRs of 1.5%, 2.6%, and 3.2% respectively during this period. By 2030, the market size in terms of sales value is projected to grow to USD7,594.6 billion, with a CAGR of 1.6% from 2025 to 2030. Within this market, the sales value of ferrous metals, chemicals, and non-ferrous metals is projected to reach USD2,364.2 billion, USD1,793.1 billion, and USD1,340.5 billion respectively, with CAGRs of 0.8%, 2.0%, and 5.4% during this period. As for the Chinese market, it has consistently accounted for approximately 60% of the Asian market from 2021 to 2030.

China Commodity Industry Services and Trading Market Size, by Trading Volume Billion Tons, 2021-2030E

	CAGR (2021-2025)	CAGR (2025-2030E)
Total	1.2%	1.1%
Ferrous Metals	0.6%	0.3%
Chemicals	3.9%	2.1%
Non-ferrous Metals	8.8%	7.8%
Others	-0.9%	-0.4%



Source: Frost & Sullivan, Annual Reports of Listed Companies Expert Interview

Market Drivers

Growing Demand in International Trade. With the recovery of global manufacturing, the accelerated urbanization in Asia and Africa, the rapid infrastructure development in emerging markets, and the rising demand for key minerals driven by energy transition, countries are continuously increasing their demand for basic raw materials such as crude oil, metals, and agricultural products. These factors boost the cross-border trade volume and price activity of commodities.

Iteration of the variety demand under the green transition. Against the backdrop of the "Dual Carbon" goals, the development of the new energy industry has spurred an explosive growth in demand for green metals such as lithium and cobalt, while the decarbonization transformation of the steel industry has driven the continuous expansion of the trade scale of recycled resources including scrap steel. The adjustment of the demand structure for commodity varieties has prompted commodity industry service and trading providers to upgrade their supporting services to adapt to the needs of the green industry.

Changes in the Macroeconomic Environment Create More Trading Opportunities. Against the backdrop of ongoing shifts in the macroeconomic landscape, commodity price volatility has intensified. On the one hand, physical enterprises are placing higher demands on risk management. Leveraging their profound research capabilities, commodity industry service and trading providers can help physical enterprises mitigate risks stemming from the uncertainty of the external environment. On the other hand, price volatility also creates more trading opportunities for such firms.

Market Trends

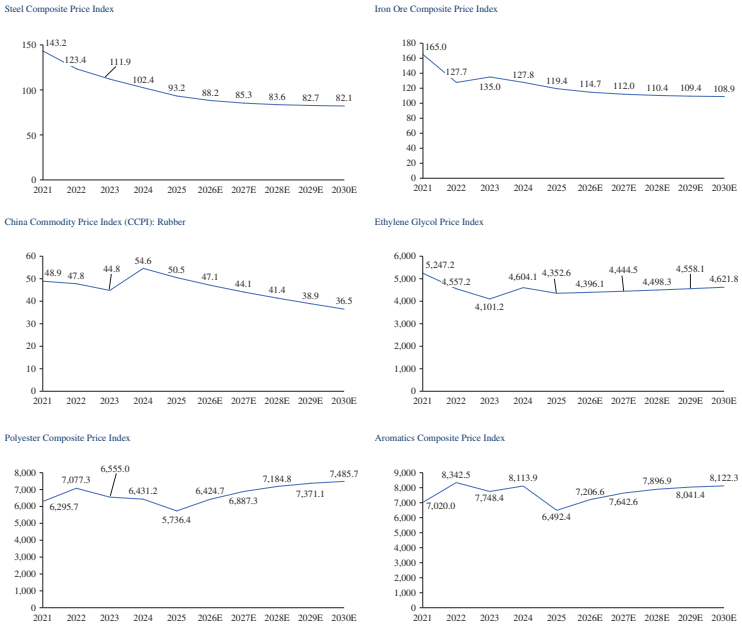
Increasing Industry Concentration. Amid the trend of service homogenization and intensified competition, small and medium-sized enterprises lacking channel resources and research capabilities will gradually exit the market. Leading enterprises will seize the development opportunities brought by changes in market trends and increase their market share.

Transforming Business Model. The business form of the commodity industry services and trading industry is shifting from a single-driven model to a dual-driven service & trading model. Against the industry backdrop of increasingly fierce market competition and rising information transparency, the dual-driving service & trading model will emerge as the mainstream direction of industry development by virtue of its diversified value creation capabilities.

Shifting from International Trading to a model of "International Trade + Localized Operation". The intensifying global competition and the continuous narrowing of trade profits are driving the transformation of business models from simple international trade to a model of "international trade + localized operation", enabling in-depth integration into the industrial chains of target markets. By establishing physical entities in target markets to carry out localized operations such as procurement, warehousing, processing, sales and customer service, enterprises can accurately respond to customer needs, enhance customer stickiness and improve their own profitability.

Commodity Price Indices Analysis for the Commodity Industry Services and Trading Industry

Prices of commodities such as ferrous metals and raw materials and chemicals have shown a divergent trend. On one hand, the price indices of traditional industrial products such as steel, iron ore and rubber have exhibited a trend of decline, reflecting the combined impact of demand contraction and capacity adjustment in the related industries. On the other hand, influenced by factors such as fluctuations in upstream raw material prices and changes in supply-demand dynamics, the prices of ethylene glycol, polyester, and aromatics fluctuated between 2021 and 2025. Looking ahead, as demand from downstream industries continues to grow, ethylene glycol prices are expected to rise at a relatively steady pace, while the prices of aromatics and polyester are expected to stabilize following periodic adjustments as supply-demand conditions gradually improve.



Note: The polyester price index references price fluctuations for major polyester products including PTA, polyester bottle chips, polyester chips, ethylene glycol, polyester staple fiber and polyester filament. The Aromatics Price Index references price fluctuations in the major aromatics products including styrene, pure benzene, petroleum benzene, xylene and p-xylene.

Source: Frost & Sullivan, Wind, Choice

ENTRY BARRIERS ANALYSIS OF THE GLOBAL COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

Globalized Supplier and Customer Networks and Their Operation-supporting Capability: Enterprises need to establish a global network covering core regions, build an efficient, collaborative, and risk-controllable cross-border logistics system, and expand stable and diversified global customer channels. These three elements are interdependent and indispensable, all requiring substantial long-term investments and are difficult to replicate in the short term.

Capital Capacity: The commodity industry services and trading industry places extremely high demands on enterprises' capital strength and financing capacity. A solid financial foundation enables large-scale operations amid market fluctuations and ensures the ability to fulfill contractual obligations.

Research Capability: Faced with severe price fluctuations driven by multiple factors such as supply and demand, geopolitics, and macroeconomics, enterprises must possess in-depth cross-market and cross-product research capabilities to gain insights into market conditions and trends, support business strategies, better serve customers, and seize trading opportunities.

Comprehensive Industrial Service Capability: To fully meet customers' needs across the commodity trading value chain, enterprises must possess integrated service capabilities. By providing comprehensive services including inventory management, order coordination, procurement optimization and sales channel development, enterprises can enhance customer stickiness, create sustainable value and monetize trade flows.

Risk Management Capability: Enterprises face a variety of risks in their operations, ranging from credit and price risks to logistics and compliance risks. Only through a systematic and full-process risk management and control system can they safeguard transaction security, maintain stable operations, and achieve sustainable profitability in a complex and volatile market environment.

COMPETITIVE LANDSCAPE ANALYSIS OF THE GLOBAL COMMODITY INDUSTRY SERVICES AND TRADING INDUSTRY

In Asian Market, with Singapore serving as a hub for Asia's commodity industry services and trading markets, a group of market-oriented international giants has emerged, represented by companies such as Trafigura, Wilmar International, and Olam Group. In 2025, in the Asian market, the top five companies ranked by commodity trading volume accounted for an aggregate market share of 4.5%, while the top five companies ranked by commodity sales revenue accounted for an aggregate market share of 5.8%. In Chinese market, amidst the fierce market competition, the company leverages its profound research capabilities and its grasp of commercial rights and trade flows to deeply participate in all links of the supply chain, making it one of the leading players in the industry today.

Top 5 Commodity Industry Services and Trading Providers in China, by Commodity Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company A	266.0	1.6%
2	Company B	233.0	1.4%
3	Company C	230.0	1.4%
4	Company D	157.3	0.9%
5	The Company	141.7	0.9%
	Top 5	**1,028.0**	**6.2%**

Source: Frost & Sullivan, Annual Reports of Listed Companies

Top 5 Commodity Industry Services and Trading Providers in China, by Commodity Sales Revenue in 2025

Ranking	Company Name	Sales Revenue (Unit: RMB Billion)	Market Share (%)
1	Company B	552.2	1.7%
2	Company C	508.3	1.6%
3	Company A	385.2	1.2%
4	Company D	335.9	1.1%
5	The Company	269.8	0.8%
	Top 5	**2,051.4**	**6.4%**

Source: Frost & Sullivan, Annual Reports of Listed Companies

Top 5 Commodity Industry Services and Trading Providers in China, by Steel Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company C	~80.0	4.8%
2	Company B	~78.0	4.7%
3	Company A	~55.0	3.3%
4	The Company	39.9	2.4%
5	Company D	~25.0	1.5%
	Top 5	**~277.9**	**16.7%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Iron Ore Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company D	~90.0	4.2%
2	The Company	63.2	2.9%
3	Company C	~45.0	2.1%
4	Company B	~42.0	1.9%
5	Company A	~36.0	1.7%
	Top 5	**~276.2**	**12.8%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and trading Providers in China, by Steel Export Volume in 2025

Ranking	Company Name	Export Volume (Unit: Million Tons)	Market Share (%)
1	Company B	~11.0	9.2%
2	The Company	6.1	5.1%
3	Company C	~5.5	4.6%
4	Company A	~5.0	4.2%
5	Company D	~3.0	2.5%
	Top 5	**~30.6**	**25.7%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Rubber Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company E	~3.0	18.1%
2	Company F	~1.0	6.0%
3	The Company	1.0	6.0%
4	Company G	~0.9	5.4%
5	Company B	~0.9	5.4%
	Top 5	**6.8**	**40.9%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Top 5 Commodity Industry Services and Trading Providers in China, by Ethylene Glycol Trading Volume in 2025

Ranking	Company Name	Trading Volume (Unit: Million Tons)	Market Share (%)
1	Company B	~6.0	12.0%
2	Company C	~5.2	10.4%
3	Company A	~4.7	9.4%
4	The Company	4.3	8.6%
5	Company D	~3.3	6.6%
	Top 5	**23.5**	**47.2%**

Source: Frost & Sullivan, Annual Reports of Listed Companies, Expert Interview

Notes:

Company A was founded in 1997, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is commodity supply chain services.

Company B was reorganized in 1996, with its headquarters in Hangzhou City, and is listed on the Shanghai Stock Exchange. Its primary business is intelligent supply chain integration services.

Company C was founded in 1998, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is the operation services of commodity supply chains.

Company D was founded in 1980, with its headquarters in Xiamen City, and is listed on the Shanghai Stock Exchange. Its core business is supply chain management services.

Company E was founded in 2005 and headquartered in Haikou, is a provincial-level enterprise in Hainan and is listed on the Shanghai Stock Exchange. Its operations span the entire natural rubber industry chain, integrating research, cultivation, processing, and trading of natural rubber.

Company F was founded in 1993, with its headquarters in Beijing City. Its core business is the import and export of crude oil and refined petroleum products.

Company G was founded in 2002 and headquartered in Guangzhou, is a provincial-level enterprise in Guangdong Province. Its operations span the entire natural rubber industry chain, focusing on natural rubber cultivation, wholesale of forestry products, and the primary processing and sale of rubber products.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

We are subject to various laws, regulations, and administrative rules in the People's Republic of China that affect many aspects of our business operations. This section summarizes the principal PRC laws, regulations, and rules that we believe are relevant to our business and operations.

Company Establishment, Foreign Investment Administration and Overseas Investment

Pursuant to the *Company Law of the People's Republic of China (the "Company Law")*, promulgated by the Standing Committee of the National People's Congress (the "NPCSC"), most recently amended in December 2023, and effective on July 1, 2024, companies established in China may take the form of limited liability companies or joint stock limited companies, and the *Company Law* applies to all companies established in China.

Foreign Investment Administration

The *Foreign Investment Law of the People's Republic of China* (the "Foreign Investment Law"), promulgated by the National People's Congress (the "NPC") on March 15, 2019 and effective on January 1, 2020, defines "foreign investment" as investment activities conducted directly or indirectly within the territory of China by foreign natural persons, enterprises or other organisations (the "foreign investors"). In December 2019, the State Council promulgated the *Regulations for the Implementation of the Foreign Investment Law of the People's Republic of China* (the "Implementation Regulations"), which took effect in January 2020. The *Implementation Regulations* further clarify that the State encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continuously optimizes the foreign investment environment, and advances a higher level of opening-up.

Foreign investment activities within China are primarily subject to the *Special Administrative Measures (Negative List) for Foreign Investment Access* (2024 Edition) (the "Negative List") and the *Catalog of Encouraged Industries for Foreign Investment* (2025 Edition) (the "Catalog of Encouraged Industries"). The *Measures for Foreign Investment Information Reporting* were issued by the Ministry of Commerce and the State Administration for Market Regulation (the "SAMR") on December 30, 2019 and took effect on January 1, 2020. Where foreign investors conduct investment activities directly or indirectly within China, they shall report investment information in accordance with the *Measures for Foreign Investment Information Reporting*, submitting initial reports, change reports, deregistration reports and annual reports to the competent commerce authorities.

The National Development and Reform Commission (the "NDRC") and the MOFCOM jointly issued the Negative List on 6 September 2024, which became effective on 1 November 2024, constituting the special administrative measures for the entry of foreign investment in the restricted or prohibited industries for foreign investment. According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments. Since we are a commodity trading service provider and trader, our PRC Legal Advisor is of the view that our business operations do not fall within the restricted or prohibited sectors under the Negative List.

Overseas Investment

Pursuant to the *Regulations on Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions* promulgated by SAFE on July 13, 2009 and came into effect on August 1, 2009, domestic institutions may apply for foreign exchange registration for overseas direct investment upon approval of overseas investment. In addition, the SAFE promulgated the *Notice on Further Simplifying and Improving the Foreign Exchange Administration Policy for Direct Investment* on February 13, 2015 and implemented on June 1, 2015, canceling the administrative license for foreign exchange registration and approval of overseas direct investment, and banks have the right to directly examine and handle foreign exchange registration of overseas direct investment. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the *Measures for the Administration of Overseas Investment* promulgated by the Ministry of Commerce on September 6, 2014 and came into effect on October 6, 2014, the Ministry of Commerce and the competent commerce authorities at the provincial level shall approve or file the overseas investment of enterprises based on the actual situation of the investment. Overseas investments involving sensitive countries or regions and sensitive industries shall be subject to approval management. Overseas investments under other circumstances shall be subject to filing management.

According to the *Measures for the Administration of Overseas Investment of Enterprises* promulgated by the National Development and Reform Commission (the "NDRC") on December 26, 2017 and came into effect on March 1, 2018, where an enterprise located within the territory of the People's Republic of China obtains overseas ownership, right of control, business management right, and other related rights and interests, either directly or via an overseas enterprise under its control, by way of investments with assets or equities or proving financing or guarantees, shall be complied with approval and filing of overseas investment project, reporting relevant information and cooperating with the supervision and inspection.

Road Transport Operations

Pursuant to the *Regulations of the People's Republic of China on Road Transport*, promulgated by the State Council on April 30, 2004 and most recently amended on July 20, 2023, and the *Provisions on the Administration of Road Freight Transport and Terminals* (the "Road Freight Provisions"), issued by the Ministry of Transport on June 16, 2005 and most recently amended on November 10, 2023, road freight transport operations refer to road freight transport activities that provide public services to society and are conducted on a commercial basis. Pursuant to the *Road Freight Provisions*, where the competent transport authorities approve an application for road freight transport operations that meets the statutory conditions, they shall issue an *Administrative Licensing Decision for Road Freight Transport Operations* and grant the licensee a *Road Transport Operation Permit*. Entities using general freight vehicles with a gross vehicle weight of 4,500 kilograms or less to engage in general freight transport operations are not required to obtain a *Road Transport Operation Permit* or a *Road Transport Certificate*.

International Freight Forwarding and Domestic Transport

International Freight Forwarding

Pursuant to the *Interim Measures for the Record-filing Administration of International Freight Forwarding Enterprises*, issued by the Ministry of Commerce on March 2, 2005 and most recently amended on August 18, 2016, international freight forwarding enterprises and their branches that are lawfully registered with the competent market regulation authorities (the "International Freight Forwarding Enterprises") are required to complete record-filing procedures with the Ministry of Commerce or its authorized institutions.

Non-vessel Operating Common Carrier Business

Pursuant to the *Regulations of the People's Republic of China on International Maritime Transport* (the "International Maritime Transport Regulations"), promulgated by the State Council on December 11, 2001 and most recently amended on September 28, 2025, and the *Implementing Rules of the Regulations of the People's Republic of China on International Maritime Transport*, issued by the Ministry of Transport on January 20, 2003 and most recently amended on November 10, 2023, "non-vessel operating common carrier business" refers to international maritime transport business activities whereby a non-vessel operating common carrier, acting as a carrier, accepts goods from shippers, issues its own bills of lading or other transport documents, collects freight charges other service remuneration from shippers, completes international maritime freight transport through international shipping operators and other operators with other modes of transport, and assumes carrier liabilities.

Entities engaging in non-vessel operating common carrier business are required to complete record-filing procedures with the competent transport authorities of the people's governments at the provincial, autonomous region or municipal level within 15 days from the date of commencement of business operations.

Where a business operator fails to complete the required record-filing procedures in accordance with applicable laws and regulations, the competent transport authorities under the State Council or those under the relevant provincial, autonomous region or municipal people's

governments may order such operator to complete the record-filing procedures within a prescribed time limit. Failing to comply within the prescribed time limit, the operator may be subject to administrative penalties, including a fine ranging from RMB10,000 to RMB50,000, and may also have its relevant qualifications revoked.

Customs Declaration, Import and Export

Customs Declaration

Pursuant to the *Customs Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on January 22, 1987 and most recently amended on April 29, 2021, the Customs of the People's Republic of China is a governmental organization responsible for supervision and control over all arrivals in and departures from the Customs territory. All means of transport, goods, and items entering or leaving the territory must pass through locations where Customs is established.

Pursuant to the *Administrative Provisions of the Customs of the People's Republic of China on Record-Filing of Customs Declaration Entities*, issued by the General Administration of Customs of China (the "GACC") on November 19, 2021 and effective on January 1, 2022, consignors, consignees and customs declaration enterprises applying for customs record-filing shall obtain market entity qualification. In addition, consignors and consignees applying for customs record-filing shall also obtain record-filing as foreign trade operators. Pursuant to the *Announcement on the Full Integration of Customs Declaration Entity Registration into the "Multiple Certificates in One" Reform*, jointly issued by the GACC and the State Administration for Market Regulation on December 20, 2021 and effective on January 1, 2022, applicants completing market entity registration with the market regulation authorities are required to simultaneously complete customs declaration entity record-filing. Applicants shall select the customs declaration record-filing option and provide the supplementary record-filing information as required.

Import and Export

Pursuant to the *Foreign Trade Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on May 12, 1994, most recently amended on December 27, 2025, and effective on March 1, 2026, the State Council's competent authorities for foreign trade are responsible for the administration of foreign trade nationwide. Within the scope permitted by law, the State Council's competent authorities for foreign trade, or such authorities jointly with other relevant departments of the State Council, may, with State Council approval, temporarily restrict or prohibit the import or export of specific goods or technologies not listed in the aforementioned catalogues.

Pursuant to the *Notice on Matters Related to the Registration of Consignors and Consignees of Import and Export Goods*, issued by the GACC on January 3, 2023 and effective on the same date, and the *Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities*, issued by the GACC on November 19, 2021 and effective on January 1, 2022, commencing January 3, 2023, consignors, consignees, and customs declaration enterprises applying for record-filing shall obtain market entity qualification, and no longer require separate record-filing as foreign trade operators.

Real Property and Property Leasing

Real Property

Pursuant to the *Civil Code of the People's Republic of China* (the "Civil Code") promulgated by the National People's Congress on May 28, 2020 and effective on January 1, 2021, the establishment, modification, transfer and extinction of real property rights that are required by law to be registered shall take effect upon their registration in the real property register. The real property ownership certificate serves as evidence of the holder's entitlement to the relevant real property rights.

Property Leasing

Pursuant to the *Administrative Measures for the Leasing of Commodity Housing*, issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China on December 1, 2010 and effective on February 1, 2011, within 30 days after the execution of a property leasing contract, the parties to the leasing contract shall complete registration and record-filing procedures

with the competent construction (real property) authorities of the people's governments at the municipal, prefectural or county level in the location where the leased property is situated. Where the parties fail to complete such registration and record-filing procedures, the competent construction (real property) authorities of the people's governments at the municipal, prefectural or county level shall order rectification within a prescribed time limit. If an individual fails to rectify within such time limit, a fine of up to RMB1,000 may be imposed; if an entity fails to rectify within such time limit, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

Pursuant to the *Civil Code of the People's Republic of China*, a lessee may sublease the leased property to a third party with the consent of the lessor. Where a property is subleased, the leasing contract between the lessee and the lessor shall remain valid. Where a lessee subleases the property without the consent of the lessor, the lessor is entitled to terminate the leasing contract. In addition, where the lessor transfers ownership of the leased property, the leasing contract between the lessee and the lessor shall remain valid. Where a property has been leased or its ownership has been transferred prior to the creation of a mortgage, the previously established leasing relationship shall not be affected by such mortgage.

Data Security, Cybersecurity and Data Privacy Protection Regulations

The *Civil Code of the People's Republic of China* explicitly stipulates that the personal information of natural persons is protected by law. The *Data Security Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and effective on September 1, 2021, requires that important data processors shall designate responsible personnel and management structures for data security and implement data security protection responsibilities. The *Cybersecurity Law of the People's Republic of China*, promulgated on November 7, 2016, most recently amended on October 28, 2025, and effective on January 1, 2026, requires that network operators shall perform cybersecurity obligations and take technical and other necessary measures to ensure network security and stability. The *Personal Information Protection Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on August 20, 2021 and effective on November 1, 2021, establishes clear regulations governing activities such as the collection and processing of personal information. The *Measures for the Graded Protection of Information Security*, issued and implemented by the Ministry of Public Security, National Administration of State Secrets Protection and other authorities on June 22, 2007, require information systems to be assigned one of five security levels. The *Cybersecurity Review Measures* (2021), jointly issued by the Cyberspace Administration of China and twelve other regulatory authorities on December 28, 2021 and effective on February 15, 2022, clarify the applicable scenarios for cybersecurity reviews and specify regulatory requirements. The *Regulations on the Administration of Network Data Security*, promulgated by the State Council on September 24, 2024 and effective on January 1, 2025, reiterate the general requirements applicable to data processing activities, the rules on personal information protection, the security protection requirements for important data, the regulatory framework for cross-border transfer of network data, and the obligations of internet platform service providers. The *Measures for the Administration of Personal Information Protection Compliance Audits*, issued by the Cyberspace Administration of China on February 12, 2025 and effective on May 1, 2025, clarifies that personal information protection compliance audits refer to the review, evaluation and supervision activities conducted on personal information processors in respect of their personal information processing activities.

The foregoing provisions set out comprehensive requirements on data processors with respect to the collection, processing, storage, use, and security management of data within the territory of China. Specifically, with respect to data collection, the collection methods must be lawful. For the collection of personal information, the scope of collection shall be limited to the minimum extent necessary to achieve the stated purpose. Data processors must fulfill their notification obligations to individuals and obtain their consent, or ensure that the collection falls within a scenario permitted by law. With respect to data processing, data processing activities must be conducted in accordance with the law and in compliance with applicable regulations. For the processing of personal information, the method that has the minimum impact on the rights and interests of individuals shall be adopted. Data processors are required to establish and improve a full-process data security management system and implement corresponding technical safeguard measures. With respect to data storage, the principle of domestic storage shall apply. Where it is necessary to provide data to overseas parties, the statutory procedures must be followed. Meanwhile, security measures such as backup and encryption shall be adopted to ensure data security. With respect to data use, data must be used lawfully and shall not harm the legitimate rights and interests of society or other individuals or organizations. For personal information, use shall not exceed the minimum scope necessary to achieve the purpose of processing. With respect to data security management, data security

responsibility subjects must be clearly identified, a full-process security management system must be established, and technical preventive measures must be adopted to retain operation logs. Regular risk assessments and emergency drills shall be conducted to prevent unauthorized access and misuse.

In addition, China has established a dedicated regulatory framework for cross-border data transfer activities. The *Measures for the Security Assessment of Outbound Data Transfers*, issued by the Cyberspace Administration of China on July 7, 2022 and effective on September 1, 2022, require data processors to apply for a security assessment before transferring data overseas if the specific scale thresholds prescribed under these Measures are met. The *Regulations on Promoting and Standardizing Cross-border Flows of Data*, issued by the Cyberspace Administration of China on March 22, 2024 and effective on the same date, further clarify implementation and coordination of existing cross-border data transfer mechanisms.

Based on the foregoing cross-border transfer regulatory requirements, a data processor's outbound data transfers must comply with the following specific requirements: where a critical information infrastructure operator provides personal information or important data overseas, or where a non-critical information infrastructure operator provides important data overseas, or where any non-critical information infrastructure operator has, since January 1 of the current year, cumulatively provided personal information (excluding sensitive personal information) of more than 1 million individuals or sensitive personal information of more than 10,000 individuals overseas, it shall apply to the national cyberspace administration via the provincial cyberspace administration at its place of domicile for a data outbound security assessment. Where a data processor other than a critical information infrastructure operator has, since January 1 of the current year, cumulatively provided personal information (excluding sensitive personal information) of 100,000 or more but fewer than 1 million individuals, or sensitive personal information of fewer than 10,000 individuals overseas, it shall, in accordance with the law, enter into a standard contract for outbound transfer of personal information with the overseas recipient and submit the Standard Contract to the provincial cyberspace administration at its locality for filing, or obtain personal information protection certification. For outbound data transfer activities that fall within statutory exemption scenarios, such as concluding or performing a contract to which the individual is a party, implementing cross-border human resources management in accordance with the law, protecting the life, health, and property safety of a natural person in an emergency, or where a non-critical information infrastructure operator has, since January 1 of the current year, cumulatively provided fewer than 100,000 individuals' personal information (excluding sensitive personal information) overseas, such activities may be exempted from the requirements of applying for a security assessment, entering into a standard contract, or obtaining certification.

Futures and Derivatives Trading

The *Futures and Derivatives Law of the People's Republic of China*, effective on August 1, 2022, aims to regulate futures and safeguards derivatives trading activities, protects the lawful rights and interests of all parties, and safeguards market order and the public interest. In addition, to prevent market risks, the *Regulations on the Administration of Futures Trading*, promulgated by the State Council on March 6, 2007 and latest amended on March 1, 2017, together with relevant guidelines issued by the CSRC, set out principle-based requirements for risk management systems in the futures market, including centralized trading and so on. Futures trading must be conducted on futures exchanges lawfully established or at venues approved by the State Council.

Labor Protection, Social Security and Housing Provident Fund

Pursuant to the *Labor Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on July 5, 1994, and amended on December 29, 2018, the *Labor Contract Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on June 29, 2007, amended on December 28, 2012, and implemented from July 1, 2013, and the *Regulations on Implementation of the Labor Contract Law of the People's Republic of China*, promulgated by the State Council on September 18, 2008, employers are required to enter into written labor contracts with employees. In addition, employee wages shall not be lower than the local minimum wage standards.

Pursuant to the *Social Insurance Law of the People's Republic of China*, promulgated by the Standing Committee of the National People's Congress on October 28, 2010, amended on December 29, 2018, the *Interim Regulations on the Collection and Payment of Social Insurance Premiums*, promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the *Regulations on Administration of Housing Provident Funds*, promulgated by the State Council on

April 3, 1999 and amended on March 24, 2019, employers are required to complete the procedures for opening social insurance accounts and housing provident fund accounts within 30 days of establishment, and to make contributions for employees to social insurance, and the housing provident fund. Employers that fail to make contributions in accordance with applicable regulations may be subject to fines and ordered to make up the outstanding payments within a prescribed period.

Tax Regulations

Enterprise Income Tax

Pursuant to the *Law of the People's Republic of China on Enterprise Income Tax* (the "EIT Law"), promulgated by the National People's Congress on March 16, 2007, effective on January 1, 2008, and amended on December 29, 2018, and the *Regulations on the Implementation of the Law of the People's Republic of China on Enterprise Income Tax*, promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024, enterprises established under PRC laws or established under foreign (or regional) laws but having their de facto management bodies located within China shall be regarded as resident enterprises. Resident enterprises are subject to enterprise income tax at a rate of 25% on their income derived from both within and outside China. Preferential enterprise income tax rates apply to key industries or projects supported or encouraged by the state. State-recognized high-tech enterprises are eligible for a preferential corporate income tax rate of 15%.

Value-Added Tax

Pursuant to the *Value-Added Tax Law of the People's Republic of China* (the "VAT Law"), promulgated by the Standing Committee of the National People's Congress on December 25, 2024 and effective on January 1, 2026, the VAT rate for general VAT taxpayers on the sale of goods, provision of processing and repair services, leasing of tangible movable property, or importation of goods is adjusted to 13%. The VAT rate for general VAT taxpayers engaged in transportation services, postal services, basic telecommunications services, construction services, the sale or leasing of immovable property, and the transfer of land use rights is adjusted to 9%.

Transfer Pricing

Pursuant to the *EIT Law* and its implementing regulations, the *Law of the People's Republic of China on the Administration of Tax Collection*, as amended by the Standing Committee of the National People's Congress on April 24, 2015 and effective on the same date, and the *Rules for the Implementation of the Law of the People's Republic of China on the Administration of Tax Collection*, as amended by the State Council on February 6, 2016 and effective on the same date, transactions between associated enterprises shall be conducted in accordance with the arm's length principle.

Pursuant to the *Public Notice of the State Taxation Administration on Matters Regarding Refining the Filing of Related Party Transactions and Administration of Contemporaneous Transfer Pricing Documentation*, issued and effective on June 29, 2016, enterprises engaging in related-party transactions and meeting the relevant conditions are required to prepare contemporaneous documentation for each tax year and submit such documentation to the tax authorities as required. Such contemporaneous documentation includes master files, local files and special issue files. Pursuant to the *Administrative Measures of Special Tax Investigation and Adjustment and Mutual Agreement Procedure*, issued by the State Taxation Administration on March 17, 2017, amended on June 15, 2018, enterprises that receive special tax adjustment risk alerts or identify potential special tax adjustment risks may make voluntary self-adjustments and pay additional taxes accordingly. The tax authorities may also conduct special tax investigation adjustments on enterprises that have voluntarily made adjustments and paid additional taxes, in accordance with relevant regulations.

H-share Full Circulation Regulations

"Full circulation" refers to the listing and trading of domestic unlisted shares of H-share listed companies on the stock exchange, including domestic unlisted shares held by domestic shareholders before overseas listing, domestic unlisted shares issued after overseas listing, and unlisted shares held by overseas shareholders. On August 10, 2023, the China Securities Regulatory Commission ("CSRC") issued the *Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies* (2023 Revision) ("Full Circulation Guidelines").

On December 31, 2019, China Securities Depository and Clearing Corporation Limited ("CSDC") and the Shenzhen Stock Exchange ("SZSE") jointly issued the *Implementation Rules for H-share "Full Circulation" Business* ("Implementation Rules"). All relevant operations pertaining to H-share Full Circulation business, including cross-border share transfer registration, custody maintenance, trading entrustment and order routing, settlement, settlement participant management, and nominee holder services, are required to comply with these *Implementation Rules*.

The Shenzhen Branch of China Securities Depository and Clearing Corporation Limited issued the *Business Guide for H-share "Full Circulation" of the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited* on February 7, 2020. This Guide was most recently revised and became effective on June 30, 2025. It clarifies matters related to business preparation, account arrangements, cross-border share transfer registration, and overseas centralized custody, among others. In February 2020, China Securities Depository and Clearing (Hong Kong) Corporation ("CSDC Hong Kong") issued the *Business Guide for H-share "Full Circulation" of China Securities Depository and Clearing (Hong Kong) Corporation*. This Guide, most recently revised on September 20, 2024, clarifies matters related to custody, the transition of the H-share Full Circulation regime from an approval-based system to a filing-based system, and other relevant issues.

Overseas Securities Issuance and Listing Regulations

On February 17, 2023, the CSRC issued the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (the "Measures") and five supporting rules. The Measures came into effect on March 31, 2023. On May 16, 2023, the CSRC issued a sixth guideline, which came into effect on the same day. The Measures comprehensively reformed the regulatory system for direct or indirect overseas securities offering and listing by domestic companies, shifting it to a filing-based system.

Under the Measures, domestic companies that offer and list securities on overseas markets, whether directly or indirectly, shall file a record with the CSRC and report relevant information. The Measures explicitly stipulate the circumstances under which overseas offering and listing is prohibited.

Where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing.

If any of the following material events occur after an issuer's overseas offering and listing, the issuer shall report the details to the CSRC within three working days from the date of the occurrence and announcement of the relevant event: (i) change in control; (ii) investigation, penalties or other measures taken by overseas securities regulatory authorities or relevant competent authorities; (iii) the conversion of listing status or the transfer of listing board; (iv) voluntary or compulsory termination of listing. If any material change in the principal business and operation of the issuer after its overseas offering and listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within three working days after the occurrence of the relevant change to provide an explanation of the relevant situation.

On February 24, 2023, the CSRC and other competent government authorities issued the *Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies* (the "Confidentiality Provisions"), which took effect on March 31, 2023. According to the Confidentiality Provisions, when a domestic company provides or publicly discloses, or causes its overseas listing vehicle to provide or publicly disclose, documents and materials containing state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies, or other entities and individuals, it shall, in accordance with the law, apply for approval from the competent authority with the power of review and approval, and file a record with the confidentiality administrative department at the same level.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS OPERATIONS IN HONG KONG

Trade

The Trade Descriptions Ordinance prohibits, among others, the use of false trade descriptions, the provision of false, misleading or incomplete information, and misstatements in respect of goods and services. It also criminalizes certain unfair trade practices, including misleading omissions, aggressive commercial practices, bait advertising, bait and switch, and wrongful acceptance of payment.

Personal Data

The Personal Data (Privacy) Ordinance governs the collection, use and protection of personal data and imposes obligations on data users to comply with the six data protection principles, including requirements relating to lawful and purpose-specific collection, data accuracy and retention, restrictions on use, data security, transparency of policies, and data access and correction rights.

Employment

The Employment Ordinance governs the general conditions of employment in Hong Kong and provides for statutory employee protections and benefits, including wages, rest days, paid holidays, annual leave, sickness allowance, maternity protection, paternity leave, severance payment and long service payment. Pursuant to the Employees' Compensation Ordinance, employers are liable to compensate employees for injuries arising out of and in the course of employment, as well as prescribed occupational diseases. Employers are also required to maintain valid insurance coverage for such liabilities in accordance with the statutory requirements.

LAWS AND REGULATIONS RELATING TO OUR OPERATIONS IN SINGAPORE

Import and Export

The Regulation of Imports and Exports Act 1995 of Singapore (the "**RIEA**") and its subsidiary legislation regulate the import, export and transhipment of goods in Singapore. The RIEA is administered by the Director-General of Customs under the Customs Act 1960, and enforced by Singapore Customs.

Under the Regulation of Imports and Exports Regulations (the "**RIER**"), promulgated under the RIEA, no goods may be imported into, exported out of, or transhipped in Singapore without a permit, unless otherwise exempted. Permit applications must be submitted in the prescribed form by the relevant party. Permits may be granted subject to conditions imposed by the Director-General of Customs.

A breach of the permit requirements constitutes an offense. Upon conviction, a first offense is punishable by a fine of up to S$100,000 or three times the value of the goods involved, whichever is higher, and/or imprisonment of up to two years. Repeat offences attract higher penalties, including fines of up to S$200,000 or four times the value of the goods, and/or imprisonment of up to three years.

The RIEA also prohibits the use of false or misleading trade descriptions. Any person who applies or deals in goods bearing an incorrect trade description commits an offense and is liable to fines and/or imprisonment. Trade descriptions include representations relating to the origin, manufacture or production of goods.

Personal Data Protection

The Personal Data Protection Act 2012 of Singapore (the "**PDPA**") governs the collection, use and disclosure of personal data. It is administered and enforced by the Personal Data Protection Commission (the "**PDPC**"). The PDPA imposes key obligations on organizations, including requirements relating to consent, purpose limitation, protection, retention and accountability. Organizations must obtain consent before collecting, using or disclosing personal data, and must implement reasonable safeguards to protect such data from unauthorized access, use or disclosure.

Non-compliance may result in enforcement action by the PDPC, including financial penalties. For breaches of data protection obligations, penalties may reach up to 10% of an organization's annual turnover in Singapore for larger organizations, or up to S$1 million in other cases.

Employment

The Employment Act 1968 of Singapore (the "**EA**") is the primary legislation governing employment. It is administered by the Ministry of Manpower (the "**MOM**") and sets out the basic terms and conditions of employment.

Part IV of the Employment Act governs working hours, leave and other conditions of service for certain employees below specified salary thresholds, while Part X provides for paid public holidays and sick leave for all employees covered, regardless of salary level. Following the amendments to the Employment Act, all employers must issue key employment terms (the "**KETs**") in writing to employees covered under the Employment Act employed on or after April 1, 2026. KETs which are not applicable to specific employees may be excluded from their contracts. Non-compliance may result in fines and/or imprisonment.

LAWS AND REGULATIONS RELATING TO INTERNATIONAL SANCTIONS

United States

The Office of Foreign Assets Control ("OFAC") is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest except pursuant to an authorization or license from OFAC. OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List.

U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. The United States has increased export controls restrictions on China through the EAR, administered by BIS. Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U. S.-origin items, or otherwise subject to the foreign direct product rules, would be subject to the EAR export restrictions. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR is generally prohibited unless the specified license requirements are met. In addition, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use.

U.S. OUTBOUND INVESTMENT RULE

The Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "OIR") which became effective on January 2, 2025. The OIR implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems ("AI systems") with applications that pose national security risks, collectively defined as "Covered Foreign Persons". The program would prohibit U.S. persons from undertaking certain transactions or require notification by U.S. persons on certain investments in Covered Foreign Persons. As advised by our International Sanctions Legal Advisor, given that we did not design, develop or engage in all three sectors listed above, we are unlikely to be viewed as a "Covered Foreign Person". On the basis that we are unlikely to be viewed as a "Covered Foreign Person", investments made by a U.S. persons in our shares should not constitute a "Covered Transaction" as defined under the OIR.

OVERVIEW

The history of our Company dates back to 2001, when our Company was established as a limited liability company under the laws of the PRC with the name of Hangzhou Cogeneration Lianfeng Materials Co., Ltd. (杭州熱電聯峰物資有限公司) and with a registered capital of RMB5,000,000. On May 11, 2009, our Company was converted into a joint stock company with limited liability, with a registered capital of RMB100,000,000 divided into 100,000,000 Shares.

MILESTONES

The following table summarizes various key milestones in our corporate and business development.

Year	Milestone
2001	Our Company was established in Hangzhou, Zhejiang Province, with an initial focus on the import of steel and iron-related bulk commodities
2003	We significantly expanded our export business
2007	Our annual revenue exceeded RMB10 billion
2009	Our Company was converted into a joint stock limited liability company.
	We deepened our presence in the ferrous metals value chain and successfully expanded upstream into steelmaking raw materials, establishing a synergistic commodity portfolio spanning ferrous metals and steelmaking raw materials
2015	We established an industry research team, further strengthening multidimensional analysis across regions, commodities and time horizons
2017	We extend business into chemicals and other commodities, forming a multi-commodity portfolio
2020	Hangzhou Industrial Group started to become our controlling shareholder.
2023	Our revenue exceeded RMB200 billion; revenue generated from our business excluding ferrous metals and steelmaking raw materials exceeded RMB100 billion, generating meaningful scale benefits and enhancing our financial resilience
2024	Our business scale continued to grow worldwide, with revenue of RMB270 billion
2025	We established a global office at our headquarters as a dedicated department to drive the execution of our globalization strategy

OUR MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment, date of establishment and commencement of business of our major subsidiaries that made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to our Group	Principal business activities
Zhejiang Four Bung Industrial Co., Ltd. (浙江四邦實業有限公司) ("**Zhejiang Four Bung**")	PRC	August 21, 2018	51%[(1)]	Commodity trading
Honors Commodity Hong Kong Company Limited (杭實國貿香港有限公司)	Hong Kong	July 11, 2017	100%	Commodity trading
Four Bung Industries Limited (四邦實業有限公司) ("**Four Bung Industries**")	Hong Kong	August 16, 2004	51%[(1)]	Commodity trading
Zhejiang Honors Chemical Co., Ltd. (浙江杭實化工有限公司) ("**Zhejiang Honors Chemical**")	PRC	November 12, 2019	51%[(1)]	Commodity trading
Honors Commodity Co., Ltd. (杭實國貿投資(杭州)有限公司)	PRC	March 9, 2017	100%	Commodity trading
Honors Commodity Singapore Pte. Ltd. (杭實國貿新加坡有限公司)	Singapore	August 24, 2018	100%	Commodity trading
Zhejiang Honors Shancheng Industrial Co., Ltd. (浙江杭實善成實業有限公司) ("**Zhejiang Honors Shancheng**")	PRC	June 6, 2017	51%[(1)]	Commodity trading
Singapore (Cogeneration) Steel Pte. Ltd. (新加坡(熱聯)鋼鐵有限公司)	Singapore	December 23, 2009	100%	Commodity Trading
Hangzhou Cogeneration (Hong Kong) Co., Limited (杭州熱聯(香港)有限公司)	Hong Kong	May 31, 2005	100%	Commodity Trading
Hangzhou CIEC Hanjia Trading Co., Ltd. (杭州熱聯漢佳商貿有限公司)	PRC	December 27, 2013	100%	Commodity trading
Hangzhou CIEC Anzhi Technology Co., Ltd. (杭州熱聯安智科技服務有限公司) ("**CIEC Anzhi**")	PRC	February 8, 2021	51%[(1)]	Leasing and commodity trading
Zhejiang Hanglian Steel Co., Ltd. (浙江杭聯鋼鐵有限公司)	PRC	July 10, 2006	100%	Commodity trading
Shanghai CIEC Iron and Steel Trade Co., Ltd. (上海熱聯鋼鐵貿易有限公司)	PRC	March 13, 2009	100%	Commodity trading

Note:

(1) For details of the minority shareholders of Zhejiang Four Bung, Four Bung Industries, Zhejiang Honors Chemical, Zhejiang Honors Shancheng and CIEC Anzhi, see "— Our Shareholding and Corporate Structure" in this section.

For details of our subsidiaries, please refer to the paragraphs headed "— Our Shareholding and Corporate Structure" in this section and Note 1 of the Accountants' Report set out in Appendix I to this document. For changes in the registered capital of our subsidiaries, please refer to the paragraphs headed "Statutory and General Information — Further Information about Our Group — Changes in the Share Capital of Our Subsidiaries" in Appendix VI to this document.

MAJOR CORPORATE DEVELOPMENTS AND SHAREHOLDING CHANGES

Early History of our Company

On March 23, 2001, our Company (then known as Hangzhou Cogeneration Lianfeng Materials Co., Ltd. (杭州熱電聯峰物資有限公司)) was incorporated as a state-owned limited liability company under the laws of the PRC, with an initial registered capital of RMB5,000,000. Upon establishment, the registered capital of our Company was held as to (i) 35% by Hangzhou Cogeneration Power Group Co., Ltd. (杭州熱電集團股份有限公司) (the "**Hangzhou Cogeneration Power Group**"), which was then ultimately controlled by Hangzhou Municipal People's Government (杭州市人民政府); (ii) 35% by Jiangsu Lianfeng Industrial Co., Ltd.(江蘇聯峰實業有限公司) ("**Jiangsu Lianfeng**"), which was then ultimately controlled by Wu Yaofang (吳耀芳), an Independent Third Party; (iii) 11% by Jiang Yuanqing (蔣元慶), who was then a Director of our Company, and (iv) 19% by eight individual Shareholders, each of whom held no more than 10% equity interests in our Company and was an Independent Third Party. After a few rounds of share transfers among our then individual Shareholders, Jiangsu Lianfeng, Hangzhou Cogeneration Power Group and Hangzhou Steam Turbine Power Group Co., Ltd. (杭州汽輪動力集團有限公司) (currently known as Hangzhou Steam Turbine Holding Co., Ltd. (杭州汽輪控股有限公司), "**Hangzhou Steam Turbine Holdings**"), a limited liability company then controlled by Hangzhou SASAC, (i) Jiangsu Lianfeng was no longer a Shareholder of our Company since April 4, 2003; (ii) Hangzhou Cogeneration Power Group was no longer a Shareholder of our Company since November 11, 2003; (iii) and Hangzhou Steam Turbine Holdings became our controlling shareholder since November 11, 2003 holding 51% of then registered capital of our Company, while the remaining registered capital was held by 12 individual Shareholders, each of whom held no more than 10% of the then registered capital of our Company and was an Independent Third Party.

Following several rounds of capital adjustments since our establishment, our Company's registered capital increased from RMB5,000,000 to RMB65,000,000 in October 2008, and was held (i) as to 51.00% by Hangzhou Steam Turbine Holdings, which has remained as our controlling shareholder since November 2003, (ii) as to 10.00%, 9.50%, and 7.50% by Mr. Nie Zhonghai (聶忠海), Mr. Jiang Yuanqing (蔣元慶), and Mr. Jiang Yuanshun (蔣元順), each of whom was then a Director of our Company, (iii) as to 2.0% by Mr. Hu Hao (胡浩), a then supervisor of our Company, and (iv) as to 20.00% by 19 individual Shareholders, each of whom held less than 5% of our Company's then registered capital and was an Independent Third Party.

Conversion into a Joint Stock Company with Limited Liability in 2009

On May 11, 2009, our Company (then known as Hangzhou Relian Import and Export Co., Ltd. (杭州熱聯進出口有限公司) was converted into a joint stock company with limited liability and renamed as Hangzhou Cogeneration Import and Export Co., Ltd. (杭州熱聯進出口股份有限公司) with a registered capital of RMB100,000,000 divided into 100,000,000 Shares, which were subscribed by all of the then holders of equity interests in proportion to their respective equity interests in our Company. The shareholding structure of our Company immediately following our conversion into a joint stock company was as follows:

Shareholders	Shares subscribed	Percentage of shareholding
		(%)
Hangzhou Steam Turbine Holdings	51,000,000	51.00
Mr. Nie Zhonghai[(1)]	10,000,000	10.00
Mr. Jiang Yuanqing[(1)]	9,500,000	9.50
Mr. Jiang Yuanshun[(1)]	7,500,000	7.50
Mr. Hu Hao[(1)]	2,000,000	2.00
Other Shareholders[(2)]	20,000,000	20.00
Total	**100,000,000**	**100.00**

Notes:

(1) As of the Latest Practicable Date, Mr. Nie Zhonghai, Mr. Jiang Yuanqing, Mr. Jiang Yuanshun (each a then director of our Company) and Mr. Hu Hao (a then supervisor of our Company) held no shares in our Company and were Independent Third Parties.

(2) Other Shareholders represent 19 individual Shareholders, each of whom held no more than 5% of our issued share capital and was an Independent Third Party at the time of our conversion into a joint stock limited company.

Following several rounds of capital increase since our conversion into a joint stock company, our Company's registered capital increased from RMB100,000,000 divided into 100,000,000 Shares to RMB339,658,000 divided into 339,658,000 Shares, as of July 10, 2012. Throughout this period, Hangzhou Steam Turbine Holdings remained as the controlling shareholder of our Company, with its shareholding percentage unchanged at 51%.

Share Transfers in 2012 and 2016

In July 2012, Tianjin Jingyu Zhengda Construction Materials Co., Ltd. (天津京裕正大建築材料有限公司) ("**Tianjin Jingyu**") and Xinji Gangxin Cement Co., Ltd. (辛集市鋼信水泥有限公司) ("**Xinji Gangxin**"), both of which were limited liability companies then controlled by Independent Third Parties, each at a consideration of RMB169,073,121 acquired 29,050,364 Shares (representing approximately 8.55% of our then issued share capital) from several individual Shareholders. The consideration was determined on an arm's length basis and agreed by the relevant parties, which was fully settled on July 24, 2012.

In February 2016, Xinji Gangxin transferred all of its Shares to Xinji Haisheng Investment Management Co., Ltd. (辛集市海昇投資管理有限公司) ("**Xinji Haisheng**"), a company controlled by the same Independent Third Parties as Xinji Gangxin, as part of such parties' internal restructuring plan, at a consideration of RMB196,865,534. The consideration was determined on an arm's length basis and agreed by the relevant parties. Such share transfer was fully settled on June 2, 2016 and Xinji Gangxin was no longer a Shareholder of our Company.

Capital increase from 2013 to 2016

On April 7, 2013, our then Shareholders passed a resolution approving the capitalization of RMB65,237,760 from capital reserves and RMB95,104,240 from undistributed profits, pursuant to which 4.7 additional Shares were issued for every 10 existing Shares held by our then Shareholders. Immediately upon completion of such capitalization on May 2, 2013, the registered capital of our Company increased from RMB339,658,000, divided into 339,658,000 Shares, to RMB500,000,000, divided into 500,000,000 Shares. Following several rounds of capital increase since 2013, the registered capital of our Company increased from RMB500,000,000 divided into 500,000,000 Shares to RMB1,027,849,800 divided into 1,027,849,800 Shares as of June 20, 2016.

Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021

Since our establishment, our Company has permitted certain individuals to invest in our equity, considering that such investments would provide additional capital to support our Company's business operations and expansion plans while also aligning their personal interests with the long-term development of our Company. Their investment are driven by a primary objective of pursuing financial returns, reflecting their confidence in our Company's growth prospects. For details, see above subsections in the section headed "— Major Corporate Developments and Shareholding Changes".

When making the initial investment in our Company, the individuals, with an understanding that our Company had been consistently and stably controlled by state-owned capital throughout our history, made their initial investments voluntarily and independently primarily for obtaining financial returns rather than gaining and exercising the Shareholders' voting rights, and agreed that the stable state-owned control was beneficial to our Company's consistent strategic execution and sustainable business development. From 2019 to 2021, in order to (i) prevent the fragmentation of voting rights and consolidate voting power so as to ensure a unified strategic decision-making process, consistent leadership and stable state-owned capital control; (ii) avoid excessive administrative costs arising from the exercise of Shareholders' rights; and (iii) allow seamless individual shareholding adjustments within the Shareholding Platforms without disrupting the overall centralized voting arrangements, thereby enhancing management convenience and administrative efficiency, as proposed by our Company and as agreed by the individual Shareholders, we established several Shareholding Platforms and conducted a series of share transfers among the Shareholding Platforms and our 95 then individual Shareholders, who are all employees of our Group. In connection with the above, Zhejiang Lianyu, one of our Controlling Shareholders, was established on September 1, 2020 under the laws of the PRC and has served as one of the Shareholding Platforms since its establishment. As of the Latest Practicable Date, the equity interests in Zhejiang Lianyu were held by five Shareholding Platforms as set out below, all 110 limited partners of the Shareholding Platforms are current or former management team members and employees of our Company and Zhejiang Lianyu. The Shareholding Platforms were established primarily for administrative purpose in connection with different rounds of investment arrangements implemented by the Company earlier. All of the Shareholding Platforms are subject to substantially identical governance and economic arrangements, and none of them provides the limited partners thereof with any special rights, preferential rights or other differentiated arrangements. In each of the Shareholding Platforms, Jingning Lianshang, one of our Controlling Shareholders, acted as the sole general partner and is responsible for the management and operation, including exercising control over, each of the Shareholding Platforms. Jingning Lianshang was established on November 11, 2019 and has been controlled by Mr. Lyu, our executive Director, since its establishment. As of the Latest Practicable Date, Jingning Lianshang was held as to (i) 50% by Mr. Lyu, our executive Director, (ii) 25% by Mr. Wu Xiaowei (吴晓炜), our senior vice president, and (iii) 25% by Mr. Lao Hongbo (劳洪波), our senior vice president.

Shareholding Platforms	Date of establishment	Limited partners	Partnership Interests as of May 31, 2026
Hangzhou Lianyi Business Consulting Partnership (Limited Partnership) (杭州聯一商務諮詢合夥企業(有限合夥)) ("**Lianyi Partnership**") .	November 20, 2019	Mr. Lyu (D)	19.72%
		Mr. Jiang Rizhong (蔣日忠) (S)	9.03%
		Mr. Wu Xiaowei (S)	8.03%
		Ms. Yan Xiaoyan (嚴曉燕) (S)	7.43%
		Mr. Dai Junhui (戴均輝) (E)	6.37%
		Mr. Lao Hongbo (S)	3.76%
		Other 42 individuals, who are Independent Third Parties, none of whom held 5% or more of the partnership interests	45.66%
Hangzhou Lianer Business Consulting Partnership (Limited Partnership) (杭州聯爾商務諮詢合夥企業(有限合夥)) ("**Lianer Partnership**")	November 25, 2019	Ms. Yan Hao (晏浩) (E)	26.80%
		Mr. Wu Xiaowei (S)	25.60%
		Mr. Zhou Wei (周偉) (E)	10.05%
		Mr. Jiang Ming (蔣明) (E)	5.41%
		Mr. Lyu (D)	1.17%
		Mr. Lao Hongbo (S)	0.07%
		Other 23 individuals, who are Independent Third Parties, none of whom held 5% or more of the partnership interests	30.90%
Hangzhou Lianshan Business Consulting Partnership (Limited Partnership) (杭州聯珊商務諮詢合夥企業(有限合夥)) ("**Lianshan Partnership**")	November 25, 2019	Mr. Li Yi (厲益) (E)	30.63%
		Ms. Wang Hong (王虹) (E)	17.36%
		Ms. Wu Weiping (吳偉萍) (E)	8.23%
		Ms. Zhang Yu (張宇) (E)	7.05%
		Mr. Ren Shanghua (任尚華) (E)	5.30%
		Mr. Lyu (D)	0.09%
		Other 11 individuals, who are Independent Third Parties, none of whom held 5% or more of the partnership interests	31.34%

Shareholding Platforms	Date of establishment	Limited partners	Partnership Interests as of May 31, 2026
Hangzhou Lianshi Business Consulting Partnership (Limited Partnership) (杭州聯仕商務諮詢合夥企業(有限合夥)) ("**Lianshi Partnership**")	November 24, 2021	Mr. Lyu (D)	46.38%
		Mr. Wu Xiaowei (S)	11.24%
		Ms. Yan Xiaoyan (S)	3.58%
		Mr. Jiang Rizhong (S)	2.87%
		Other 27 individuals, who are Independent Third Parties, none of whom held 5% or more of the partnership interests	35.93%
Hangzhou Lianwu Business Consulting Partnership (Limited Partnership) (杭州聯吾商務諮詢合夥企業(有限合夥)) ("**Lianwu Partnership**")	November 24, 2021	Mr. Lyu (D)	42.10%
		Mr. Lao Hongbo (S)	25.23%
		Mr. Jiang Lijing (姜莉菁) (S)	6.12%
		Ms. Li Feixue (李飛雪) (S)	4.20%
		Ms. Wang Wenjun (王文君) (D)	1.38%
		Other 17 individuals, who are Independent Third Parties, none of whom held 5% or more of the partnership interests	20.97%

(D) denotes that the partner is a Director of our Company.

(S) denotes that the partner is a senior management of our Company.

(E) denotes that the partner is an employee of our Company.

Internal Shareholding Restructuring from 2020 to 2021

As part of the internal restructuring of state-owned assets approved by the Hangzhou SASAC, the following transactions were carried out in connection with our Company from 2020 to 2021: (i) pursuant to a series of share transfers, Hangzhou Industrial Group acquired all 262,101,710 Shares in our Company held by Hangzhou Steam Turbine Holdings and its associates at a consideration of RMB326,828,691, which was determined on an arm's length basis and agreed by the relevant parties, and was fully settled on September 18, 2020; (ii) on September 30, 2020, Hangzhou Industrial Group subscribed for 1,203,397,829 Shares issued by our Company at a consideration of RMB1,530 million and Zhejiang Lianyu subscribed for 1,156,205,757 new Shares at a consideration of RMB1,470 million, both of which were determined on an arm's length basis and were fully settled on December 30, 2020. The subscriptions resulted in an increase of our Company's registered share capital from RMB1,027,849,845 divided into 1,027,849,845 Shares to RMB3,387,453,431 divided into 3,387,453,431 Shares, whereupon Hangzhou Industrial Group and Zhejiang Lianyu became the Controlling Shareholders of our Company with approximate shareholding percentages of 43.26% and 34.13%, respectively; and (iii) following a series of internal shareholding restructurings in 2021, the shareholding percentages of Hangzhou Industrial Group and Zhejiang Lianyu in our Company increased to 51.00% and 44.70%, respectively.

Upon completion of the aforementioned internal shareholding restructuring in 2021, our shareholding structure has remained unchanged as of the Latest Practicable Date. For further details, see "— Capitalization" in this section.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisitions, mergers or disposals that we consider to be material to us.

REASON FOR THE [REDACTED]

Our Company is seeking a [**REDACTED**] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Group's business, to strengthen our Company's working capital and to further raise our business profile and global presence. For further details of our future plans, see "Future Plans and Use of [**REDACTED**]."

PUBLIC FLOAT

The [**REDACTED**] Unlisted Shares to be converted into H Shares held by our Controlling Shareholders as of the Latest Practicable Date will not be counted towards [**REDACTED**] for the purpose of Rule 19A.13A of the Listing Rules after [**REDACTED**], representing approximately [**REDACTED**]% of our total issued share capital as of the Latest Practicable Date, or approximately [**REDACTED**]% of our total issued share capital upon the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of our total issued share capital upon the [**REDACTED**] (assuming the [**REDACTED**] is exercised in full).

Immediately upon completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised, the market value of our Shares in issue will range from HK$[**REDACTED**] to HK$[**REDACTED**], calculated based on the low-end and the high-end of the indicative [**REDACTED**] range. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum percentage of the H Shares to be held by the public at [**REDACTED**] shall be higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK$[**REDACTED**] at the time of [**REDACTED**], which is approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% (calculated based on the low-end, the mid-point and the high-end of the indicative [**REDACTED**] range, respectively, and assuming that the [**REDACTED**] is not exercised); and (ii) 15%. Immediately upon completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised, [**REDACTED**] Shares will be counted towards the [**REDACTED**] for the purpose of Rule 19A.13A(1) of the Listing Rules, representing approximately [**REDACTED**]% of our total issued share capital, which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with with no other listed shares at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [**REDACTED**], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [**REDACTED**] (excluding treasury shares), with an expected market value at the time of [**REDACTED**] of not less than HK$50,000,000; or (b) have an expected market value at the time of [**REDACTED**] of not less than HK$600,000,000.

Immediately following the completion of the [**REDACTED**] and the [**REDACTED**] of Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the market capitalization of the H Shares [**REDACTED**] on the Stock Exchange that are held by the public and not subject to any disposal restrictions at the time of the [**REDACTED**] will not be less than

HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the indicative [**REDACTED**] range). Accordingly, we believe that there will be a free and open market for our H Shares immediately upon the completion of the [**REDACTED**] in compliance with the requirements under Rule 19A.13C(1) of the Listing Rules.

OUR CAPITALIZATION

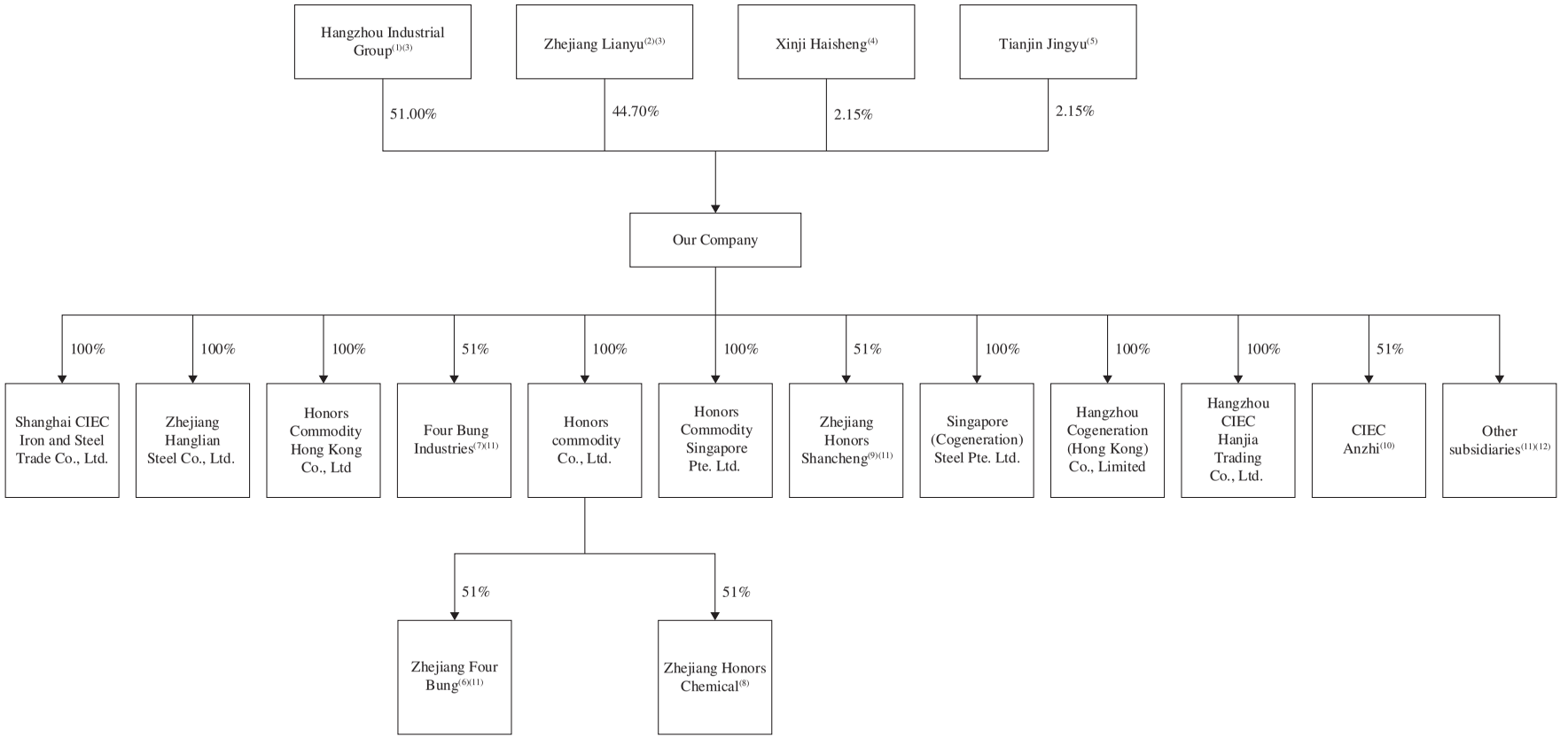
The shareholding structure of our Company is set forth below.

	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] assuming the [REDACTED] is not exercised	
Shareholder	**Number of Shares**	**Shareholding percentage**	**Number of H Shares**	**Shareholding percentage**
Hangzhou Industrial Group	1,727,601,250	51.00%	[**REDACTED**]	[**REDACTED**]%
Zhejiang Lianyu	1,514,263,321	44.70%	[**REDACTED**]	[**REDACTED**]%
Tianjin Jingyu	72,794,430	2.15%	[**REDACTED**]	[**REDACTED**]%
Xinji Haisheng	72,794,430	2.15%	[**REDACTED**]	[**REDACTED**]%
Subtotal		**100.00%**		
[**REDACTED**] taking part in the [**REDACTED**]	–	–	[**REDACTED**]	[**REDACTED**]%
Total	**3,387,453,431**	**100.00%**	[**REDACTED**]	**100.00%**

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Immediately Prior to the [REDACTED] and as of the Latest Practicable Date

The following chart illustrates the simplified shareholding structure of our Group immediately before the completion of the [**REDACTED**] and as of the Latest Practicable Date:



Notes:

(1) Hangzhou Industrial Group is a limited liability company established in the PRC on November 13, 2001, and is primarily engaged in industrial investment and asset management. As of the Latest Practicable Date, Hangzhou Industrial Group was owed as to 90% by Hangzhou SASAC and as to 10% by Zhejiang Caikai Group Co., Ltd. (浙江省財開集團有限公司) ("**Zhejiang Caikai**"), which was wholly owned by the Department of Finance of Zhejiang Province (浙江省財政廳).

(2) Zhejiang Lianyu is a limited liability company established in the PRC on September 1, 2020. As of the Latest Practicable Date, the equity interests in Zhejiang Lianyu was held as to approximately (i) 31.23% by Lianshi Partnership; (ii) 29.27% by Lianwu Partnership; (iii) 21.07% by Lianyi Partnership; (iv) 12.53% by Lianer Partnership; and (v) 5.91% by Lianshan Partnership. Lianyi Partnership, Lianer Partnership, Lianwu Partnership, Lianshan Partnership and Lianshi Partnership were established in the PRC as our Shareholding Platforms. See "— Major Corporate Developments and Shareholding Changes — Establishment of Several Shareholding Platforms and Share Transfers from 2019 to 2021" in this section for more details.

(3) Each of Hangzhou Industrial Group and Zhejiang Lianyu is a Controlling Shareholder. For further details, see "Relationship with Our Controlling Shareholders" in this document.

(4) Xinji Haisheng is a limited liability company established under the laws of the PRC on December 11, 2015, primarily engaged in asset and investment management. As of the Latest Practicable Date, Xinji Haisheng was held as to (i) 95.00% by Wang Zhe (王喆) and (ii) 5.00% by Xie Qingmian (謝青綿), each of whom was an Independent Third Party.

(5) Tianjin Jingyu is a limited liability company established under the laws of the PRC on July 28, 2010, primarily engaged in cement products manufacturing. As of the Latest Practicable Date, Tianjin Jingyu was held as to approximately (i) 51.56% by Shao Minjun (邵敏軍) and (ii) 48.44% by Fu naizhong (付乃忠), each of whom was an Independent Third Party.

(6) Zhejiang Four Bung is a limited liability company established in the PRC on August 21, 2018. As of the Latest Practicable Date, the remaining 49% equity interest in Zhejiang Four Bung Industrial Co., Ltd. was held by Zhejiang Dunxin Sibang Trade Co., Ltd. (浙江敦信四邦貿易有限責任公司), which was ultimately controlled by Chen Yufeng (陳宇峰). Other than being an associate of the substantial shareholder of Zhejiang Four Bung and Four Bung Industries, Chen Yufeng has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

(7) Four Bung Industries is a limited liability company established in Hong Kong on August 16, 2004. As of the Latest Practicable Date, the remaining 49% equity interest in Four Bung Industries was held by DPL Commodity Singapore Pte. Ltd, which was ultimately controlled by Chen Yufeng. Other than being an associate of the substantial shareholder of Four Bung Industries and Zhejiang Four Bung, Chen Yufeng has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

(8) Zhejiang Honors Chemical is a limited liability company established in the PRC on November 12, 2019. As of the Latest Practicable Date, the remaining 49% equity interest in Zhejiang Honors Chemical was held by Zhejiang Zixin Trading Co., Ltd. (浙江子信貿易有限責任公司), which was ultimately controlled as to 50% by Wang Yawei (王亞瑋) and as to 50% by Xu Huateng (許華騰). Other than being associates of the substantial shareholder of Zhejiang Honors Chemical, neither Wang Yawei nor Xu Huateng has any relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

(9) Zhejiang Honors Shancheng is a limited liability company established in the PRC on June 6, 2017. As of the Latest Practicable Date, the remaining 49% equity interest in Zhejiang Honors Shancheng was held by the following parties: (i) 36.75% by Hangzhou Wuwei Zhiyuan Industrial Holding Co., Ltd. (杭州無畏治遠實業控股有限公司) ("**Hangzhou Wuwei Zhiyuan**") and (ii) 12.25% by Shancheng Resources Co., Ltd. (善成資源有限公司) ("**Shancheng Resources**"), each of which was ultimately controlled by Bao Lili (鮑莉莉). Other than being an associate of the substantial shareholder of Zhejiang Honors Shancheng, Bao Lili has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

(10) CIEC Anzhi is a limited liability company established in the PRC on February 8, 2021. As of the Latest Practicable Date, the remaining 49% equity interest in CIEC Anzhi was held by Hangzhou Industrial Group, our Controlling Shareholder.

(11) Our Company became acquainted with Mr. Chen Yufeng (陳宇峰) and Ms. Bao Lili (鮑莉莉) through business cooperation in 2018 and 2017, respectively, and has since developed and maintained a long-standing business relationship with them. Mr. Chen Yufeng (陳宇峰) had accumulated solid management experience in trading enterprises and had long been engaged in the bulk commodities trading as well as the application and investment of futures and derivatives, while Ms. Bao has accumulated several experience in enterprise management, commodities trading, futures research and execution, as well as the application of financial risk management instruments. As of the Latest Practicable Date, save for holding the minority interests in the Company's subsidiaries as disclosed above and in the note (12) below, Mr. Chen and Ms. Bao were also the founders and/or the controlling shareholders of a few industry peer companies.

(12) As of the Latest Practicable Date, in addition to our major subsidiaries, we had 13 overseas subsidiaries and 46 subsidiaries incorporated in the PRC, 36 of which were non-wholly owned subsidiaries, as set out below. Save as disclosed below, all the other shareholders of our Group's non-wholly owned subsidiaries have no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management and their associates. Such non-wholly owned subsidiaries were established jointly with certain business partners within our industrial value chain, which are aligned with our strategic operations and contribute to the development of our capabilities in managing key commercial channels and expanding market reach. See "Business — Overview — Our Strengths" for details.

- Anhui CIEC Wangang Supply Chain Management Co., Ltd. (安徽熱聯皖鋼供應鏈管理有限公司) is a limited liability company established in the PRC on July 17, 2019, which is mainly engaged in supply chain management services. As of the Latest Practicable Date, Anhui CIEC Wangang Supply Chain Management Co., Ltd. was owned as to (i) 51% by our Company, (ii) 45% by Luan Steel Holding Group Co., Ltd. (六安鋼鐵控股集團有限公司), which was ultimately controlled by Wang Jiandong (王建東), an Independent Third Party, and (iii) 4% by Jingning Lanxiang Enterprise Management Partnership (Limited Partnership) (景寧瀾翔企業管理合夥企業(有限合夥), a limited partnership managed by its general partner Hua Yuxiang (華宇翔), an Independent Third Party, who held 90% of its partnership interests.

- Zhejiang Honors Energy Services Co., Ltd. (浙江杭實能源服務有限公司) ("**Zhejiang Honors Energy**" is a limited liability company established in the PRC on April 14, 2017, which is mainly engaged in wholesale of coal and coal products. As of the Latest Practicable Date, Zhejiang Honors Energy Services Co., Ltd. was owned as to (i) 51% by our Company, (ii) 23.88% by Ningbo Jing'n Enterprise Management Partnership (Limited Partnership) (寧波旌安企業管理合夥企業(有限合夥)), a limited partnership managed by Chen Yufeng (陳宇峰) as its general partner. Other than being an associate of the substantial shareholder of Zhejiang Four Bung and Four Bung Industries, Chen Yufeng has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management, (iii) 15.50% by Zhejiang Zilu Trading Co., Ltd. (浙江子路貿易有限公司), which was wholly controlled by Mr. Lao Hongbo, one of our Controlling Shareholders, and his close associate; and (iv) 9.62% by Hu Xiaohong (胡小紅), an Independent Third Party.

- Zhejiang Free Trade Zone Hangshi Jindi Energy Co., Ltd. (浙江自貿區杭實金帝能源有限公司) is a limited liability company established in the PRC on August 9, 2019, which is mainly engaged in wholesale of petroleum and petroleum products. As of the Latest Practicable Date, Zhejiang Free Trade Zone Hangshi Jindi Energy Co., Ltd. was owned as to 51% by our Company and 49% by Zhejiang Jindi Petrochemical Energy Co., Ltd. (浙江金帝石化能源有限公司), which was ultimately controlled by Lu Sikan (盧斯侃), an Independent Third Party.

- Jiashan Lianjia Supply Chain Management Co., Ltd. (嘉善聯嘉供應鏈管理有限公司) is a limited liability company established in the PRC on June 17, 2024, which is mainly engaged in supply chain management. As of the Latest Practicable Date, Jiashan Lianjia Supply Chain Management Co., Ltd. was owned as to 70% by our Company and 30% by Zhejiang Jiashan Economic Development Zone Industry Corporation (嘉善經濟技術開發區實業有限公司), which was ultimately controlled by the People's Government of Jiashan County, Jiaxing City (嘉興市嘉善縣人民政府).

- Zhejiang Capital Shancheng Industrial Co., Ltd. (浙江杭資善成實業有限公司) is a limited liability company established in the PRC on May 30, 2019, which is mainly engaged in wholesale of metals and metal ores. As of the Latest Practicable Date, Zhejiang Capital Shancheng Industrial Co., Ltd. was owned as to 51% by our Company and ultimately controlled by Bao Lili as to 49%. Other than being an associate of the substantial shareholder of Zhejiang Honors Shancheng, Bao Lili has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

- Zhejiang Haisheng Energy Chemical Trading Co., Ltd. (浙江海晟能化工貿有限公司) is a limited liability company established in the PRC on March 13, 2024, which is mainly engaged in manufacture of rubber products. As of the Latest Practicable Date, Zhejiang Haishengneng Chemical Trading Co., Ltd. was owned as to 51% by our Company and 49% by Zhejiang Haisheng Energy Trade Co., Ltd. (浙江海晟能源貿易有限公司), a company ultimately controlled by Shi Xuebo (石學博), an Independent Third Party.

- Hangzhou CIEC Lianfeng Trading Co., Ltd. (杭州熱聯聯豐貿易有限公司) is a limited liability company established in the PRC on December 20, 2021, which is mainly engaged in wholesale of metals and metal ores. As of the Latest Practicable Date, Hangzhou CIEC Lianfeng Trading Co., Ltd. was owned as to 51% by our Company and 49% by Hainan Yangpu Shunbo Technology Service Co., Ltd. (海南洋浦順博科技服務有限公司), which was owned as to 36.20% by Zhang Qingmin (張慶敏), 31.90% by Zhang Qinglai (張慶來) and 31.90% by Xu Wangang (許萬剛), all of whom were Independent Third Parties.

- Hangzhou Bohai Iron and Steel Trade Co., Ltd. (杭州渤海鋼鐵貿易有限公司) is a limited liability company established in the PRC on January 22, 2010, which is mainly engaged in wholesale of metals and metal ores. As of the Latest Practicable Date, Hangzhou Bohai Iron and Steel Trade Co., Ltd. was owned as to 60% by our Company and as to 40% by Ningbo Yude Trading Co., Ltd. (寧波喻德貿易有限公司), a company ultimately controlled by He Feng (何楓) and Song Zhenghong (宋錚紅), both of whom were Independent Third Parties.

- Hangzhou Haibang CIEC Kexing Venture Capital Partnership (Limited Partnership) (杭州海邦熱聯科興創業投資合夥企業(有限合夥)) ("**Hangzhou Haibang CIEC**") is a limited partnership established in the PRC on December 18, 2020, which is mainly engaged in investment and asset management. As of the Latest Practicable Date, pursuant to the partnership agreement of Hangzhou Haibang CIEC, Hangzhou Haibang CIEC was accounted for as a consolidated subsidiary of our Company by virtue of holding approximately 93.33% of its partnership interests. Hangzhou Haibang CIEC was managed by Hangzhou Haibangfenghua Investment Management Co., Ltd. (杭州海邦灃華投資管理有限公司) as its general partner, a company ultimately controlled by Xie Li (謝力), an Independent Third Party.

- Hunan Zhirui Lianzheng Supply Chain Management Co., Ltd. (湖南智瑞聯正供應鏈管理有限公司) is a limited liability company established in the PRC on April 22, 2024, which is mainly engaged in wholesale and retail. As of the Latest Practicable Date, Hunan Zhirui Lianzheng Supply Chain Management Co., Ltd. was owned as to (i) 55% by our Company, (ii) 25% by Hunan Lianchuang Holding Group Co., Ltd. (湖南聯創控股集團有限公司), a company ultimately controlled by Luo Jingjun (羅勁軍), an Independent Third Party, and (iii) 20% by Hunan Hangying Enterprise Management Partnership (Limited Partnership) (湖南杭盈企業管理合夥企業(有限合夥)), a limited partnership managed by its general partner Luo Jingjun (羅勁軍) and held as to 54.80% by its limited partner Deng Zhengjun (鄧正軍), both of whom were Independent Third Parties.

- Zhejiang Huixing Industrial Co., Ltd. (浙江惠行實業有限公司) is a limited liability company established in the PRC on April 19, 2023, which is mainly engaged in manufacture of rubber products. As of the Latest Practicable Date, Zhejiang Huixing Industrial Co., Ltd. was owned as to 51% by our Company and as to 49% by Zhejiang Free Trade Zone Huixing Energy Co., Ltd. (浙江自貿區惠行能源有限公司), which was ultimately controlled by Lu Cheng (陸誠), an Independent Third Party.

- Hangzhou Guozhu Liancheng Industrial Co., Ltd. (杭州國祝聯成實業有限公司) is a limited liability company established in the PRC on November 19, 2020, which is mainly engaged in manufacture of metal products. As of the Latest Practicable Date, Hangzhou Guozhu Liancheng Industrial Co., Ltd. was owned as to 51% by our Company and 49% by Hangzhou Joyful Liancheng Technology Co., Ltd. (杭州喜悦聯成科技有限公司), a company ultimately controlled by Zhang Xi (張璽), an Independent Third Party.

- Zhejiang CIEC Zongheng Trading Co., Ltd. (浙江熱聯縱橫商貿有限公司) is a limited liability company established in the PRC on September 21, 2020, which is mainly engaged in wholesale of building materials. As of the Latest Practicable Date, Zhejiang CIEC Zongheng Trading Co., Ltd. was owned as to 51% by our Company and as to 49% by Hangzhou Zonghengda Transportation Building Materials Partnership (Limited Partnership) (杭州縱橫達交通建材合夥企業(有限合夥)), a limited partnership managed by Zhu Xiaolong (祝小龍) as its general partner, an Independent Third Party.

- Hangzi Yuxi Industry (Zhejiang) Co., Ltd. (杭資裕熙實業(浙江)有限公司) is a limited liability company established in the PRC on March 5, 2020, which is mainly engaged in manufacture of metal fittings. As of the Latest Practicable Date, Hangzi Yuxi Industry (Zhejiang) Co., Ltd. was owned as to 51% by our Company and as to 49% by Hangzhou Hezhong Yuru Enterprise Management Partnership (Limited Partnership) (杭州和衷裕如企業管理合夥企業(有限合夥)), a limited partnership managed by Liu Gang (劉剛) as its general partner, an Independent Third Party.

- Zhejiang CIEC Yunsheng Industrial Co., Ltd. (浙江熱聯雲盛實業有限公司) is a limited liability company established in the PRC on October 28, 2022, which is mainly engaged in manufacture of chemical fibers. As of the Latest Practicable Date, Zhejiang CIEC Yunsheng Industrial Co., Ltd. was owned as to 51% by our Company and 49% by Hangzhou Shiju Enterprise Management Partnership (Limited Partnership) (杭州仕聚企業管理合夥企業(有限合夥)), a limited partnership ultimately controlled by Bi Lei (畢磊), an Independent Third Party.

- Zhejiang CIEC Tongyu Industrial Co., Ltd. (浙江熱聯同裕實業有限公司) is a limited liability company established in the PRC on July 14, 2023, which is mainly engaged in manufacture of chemical fibers. As of the Latest Practicable Date, Zhejiang CIEC Tongyu Industrial Co., Ltd. was owned as to 51% by our Company and 49% by Hangzhou Tongyu Trading Co., Ltd. (杭州同譽貿易有限責任公司), a company ultimately controlled by by Cai Tiesong (柴鉄松), an Independent Third Party.

- Zhejiang CIEC Chain Energy Co., Ltd. (浙江熱聯鏈能能源有限責任公司) is a limited liability company established in the PRC on December 2, 2025, which is mainly engaged in wholesale of petroleum and petroleum products. As of the Latest Practicable Date, Zhejiang CIEC Chain Energy Co., Ltd. was owned as to 51% by our Company and 49% by Yuchi IMPORT&EXPORT (SHANGHAI) Co., Ltd. (上海煜馳進出口有限公司), which was ultimately controlled by Zhu Yanli (朱妍麗) and Ren Zhihua (任志華), both of whom were Independent Third Parties.

- Hangzhou Jinyue CIEC Investment Management Partnership (Limited Partnership) (杭州錦岳熱聯投資管理合夥企業(有限合夥)) ("**Hangzhou Jinyue CIEC**") is a limited partnership established in the PRC on May 31, 2017, which is mainly engaged in investment and asset management. As of the Latest Practicable Date, pursuant to the partnership agreement of Hangzhou Jinyue CIEC, Hangzhou Jinyue CIEC was accounted for as a consolidated subsidiary of our Company by virtue of holding approximately 94.58% of its partnership interests. Hangzhou Jinyue CIEC was managed by Hangzhou Jinyue Enterprise Management Consulting Co., Ltd. (杭州錦岳企業管理諮詢有限公司) as its general partner, which was ultimately controlled by Mr. Li Hongli (李紅利), an Independent Third Party.

- Guangdong CIEC Weiken New Materials Co., Ltd. (廣東熱聯威懇新材料有限公司) is a limited liability company established in the PRC on November 20, 2020, which is mainly engaged in wholesale of metals and metal ores. As of the Latest Practicable Date, Guangdong CIEC Weiken New Materials Co., Ltd. was owned as to (i) 55.00% by our Company, (ii) 35% by Guangdong Weixin Electromagnetic Materials Co., Ltd. (廣東威懇電磁材料有限公司), a company ultimately controlled by Li Bo (李波), an Independent Third Party, and (iii) 10% by Foshan Weixin Entrepreneurship Investment Enterprise (Limited Partnership) (佛山市威懇創業投資企業(有限合夥)), a limited partnership controlled by Wang Quanfeng (王全豐), an Independent Third Party.

- Jiangsu CIEC Zhenrong Supply Chain Management Co., Ltd. (江蘇熱聯臻融供應鏈管理有限公司) is a limited liability company established in the PRC on October 8, 2021, which is mainly engaged in supply chain management services. As of the Latest Practicable Date, Jiangsu CIEC Zhenrong Supply Chain Management Co., Ltd. was owned as to (i) 51% by our Company, (ii) 24.50% by JiangSu Juli Intelligent Machinery Corp., Ltd. (江蘇聚力智能機械股份有限公司), which was controlled by Li Tao (李濤), an Independent Third Party, and (iii) 24.50% by Shanghai Shizhen Metal Technology Co., Ltd. (上海實臻金屬科技有限公司), which was ultimately controlled by Wang Jian (王劍) and Zhuang Zhifeng (莊志鋒), both of whom were Independent Third Parties.

- Guangzhou CIEC Fersa Auto Parts Co., Ltd. (廣州熱聯弗爾賽汽車部件有限公司) is a limited liability company established in the PRC on March 17, 2022, which is mainly engaged in wholesale of automobiles and auto parts. As of the Latest Practicable Date, Guangzhou CIEC Fersa Auto Parts Co., Ltd. was owned as to 51.00% by our Company and 49.00% by Guangzhou Fersa Metal Products Co., Ltd. (廣州弗爾賽金屬製品有限公司), which was ultimately controlled by Dong Jianguo (董建國), an Independent Third Party.

- Jiangsu Lianjiang High Tech Materials Co., Ltd. (江蘇聯江高新材料有限公司) is a limited liability company established in the PRC on September 21, 2020, which is mainly engaged in manufacture of construction machinery. As of the Latest Practicable Date, Jiangsu Lianjiang High Tech Materials Co., Ltd. was owned as to 60% by our Company and as to 40% by Zhenjiang Yongle Investment Management Partnership (Limited Partnership) (鎮江永樂投資管理合夥企業(有限合夥)), a limited partnership managed by Cao Xiaoguo (曹曉國) as its general partner, an Independent Third Party.

- Zhejiang Free Trade Zone Sibang Energy Co., Ltd. (浙江自貿區四邦能源有限公司) is a limited liability company established in the PRC on December 19, 2019, which is mainly engaged in wholesale of petroleum and petroleum products. As of the Latest Practicable Date, Zhejiang Free Trade Zone Four Bung Energy Co., Ltd. was owned as to 51% by our Company and 49% by Zhejiang Dunxin Sibang Trade Co., Ltd. (浙江敦信四邦貿易有限責任公司), which was controlled by Chen Yufeng (陳宇峰). Other than being an associate of the substantial shareholder of Zhejiang Four Bung and Four Bung Industries, Chen Yufeng has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

- Zhejiang Dongli Petrochemical Co., Ltd. (浙江東瀝石化有限公司) is a limited liability company established in the PRC on January 23, 2024, which is mainly engaged in petroleum and petroleum products. As of the Latest Practicable Date, Zhejiang Dongli Petrochemical Co., Ltd. was owned as to 51% by our Company, and ultimately controlled by Bao Lili as to 49%. Other than being an associate of the substantial shareholder of Zhejiang Honors Shancheng, Bao Lili has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

- Hangzhou CIEC Baiyeyou Supply Chain Management Co., Ltd. (杭州熱聯佰業優供應鏈管理有限公司) is a limited liability company established in the PRC on February 27, 2012, which is mainly engaged in leasing and commercial services. As of the Latest Practicable Date, Hangzhou CIEC Baiyeyou Supply Chain Management Co., Ltd. was owned as to (i) 51% by our Company, (ii) 42.00% by Changchun Baiyeyou Steel Distribution Co., Ltd. (長春佰業優鋼材配送有限公司), a company ultimately controlled by Lv Hongbing (呂紅兵), an Independent Third Party, and (iii) 7% by Dalian Senlipu Metal Materials Co., Ltd. (大連森俐普金屬材料有限公司), a company controlled by Hu Tianxiu (扈天秀) and Wu Changhui (吳長慧), both of whom were Independent Third Parties.

- Hangzhou Qingyou Business Consulting Partnership (Limited Partnership) (杭州擎優商務諮詢合夥企業(有限合夥)) ("**Hangzhou Qingyou**") is a limited partnership established in the PRC on May 17, 2016, which is mainly engaged in investment and asset management. As of the Latest Practicable Date, Hangzhou Qingyou was managed by Zhejiang Optimus Investment Co., Ltd. (浙江巨擎投資有限公司) (currently known as Zhejiang Optimus Supply Chain Management Co., Ltd. (浙江巨擎供應鏈管理有限公司)), our wholly owned subsidiary, as the general partner holding approximately 93.57% partnership interests. Ms. Yanhao (晏浩), our employee, was the limited partner of Hangzhou Qingyou with approximately 6.43% partnership interests.

- Zhejiang Lianhua Hebang Resources Co., Ltd. (浙江聯華合邦資源有限公司) is a limited liability company established in the PRC on February 20, 2025, which is mainly engaged in wholesale and retail. As of the Latest Practicable Date, Zhejiang Lianhua Hebang Resources Co., Ltd. was owned as to (i) 47% by our Company, (ii) 10% by Zhejiang Four Bung, and (iii) 43% by Huachuang Blue Ocean Holding Group Co., Ltd. (華創藍海控股集團有限公司), a company controlled by He Xianghua (何向華), an Independent Third Party.

- Relian Youfa (Tianjin) Supply Chain Management Co., Ltd. (熱聯友發(天津)供應鏈管理有限公司) ("**Relian Youfa**") is a limited liability company established in the PRC on March 18, 2024, which is mainly engaged in supply chain management services. As of the Latest Practicable Date, Relian Youfa was owned as to (i) 46% by our Company, (ii) 45% by Tianjin You Fa Steel Pipe Group Stock Co., Ltd. (天津友發鋼管集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601686.SH), and (iii) 9% by Tianjin Dehe Supply Chain Management Service Partnership Enterprise (Limited Partnership) (天津德合供應鏈管理服務合夥企業(有限合夥)), a limited partnership managed by Jingning Lianshang as its general partner. Pursuant to the partnership agreement of Relian Youfa, our Company is in a position to control the composition of a majority of its board of directors, therefore Relian Youfa is accounted for our consolidated subsidiary. As of the Latest Practicable Date, Hangzhou CIEC Youfa Supply Chain Co., Ltd. (杭州熱聯友發供應鏈有限公司) was owned as to 100% by Relian Youfa, and one of our subsidiaries.

- Hangzhou CIEC Financial Leasing Co., Ltd. (杭州熱聯融資租賃有限公司) is a limited liability company established in the PRC on February 8, 2013, which is mainly engaged in financial leasing services. As of the Latest Practicable Date, Hangzhou CIEC Financial Leasing Co., Ltd. was ultimately owned as to (i) 90% by our Company, and (ii) 10% by Xinji Aosen Special Steel Group Co., Ltd. (辛集市澳森特鋼集團有限公司), which was ultimately controlled by Cao Yuebin (曹躍彬), an Independent Third Party. We are in the process of disposing of all our equity interests in Hangzhou CIEC Financial Leasing Co., Ltd., which is expected to be completed by the end of December 2026.

- HONORS SHANCHENG INDUSTRIAL (THAILAND) CO., LTD. is a limited liability company established in Thailand on September 19, 2019, which is mainly engaged in trading of rubber products. As of the Latest Practicable Date, HONORS SHANCHENG INDUSTRIAL (THAILAND) CO., LTD. was owned as to 51% by our Company, and ultimately controlled by Bao Lili as to 49%. Other than being an associate of the substantial shareholder of Zhejiang Honors Shancheng, Bao Lili has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

- PT. Anjian Indonesia Industrial is a limited liability company established in Indonesia on May 28, 2024, which is mainly engaged in leasing services. As of the Latest Practicable Date, PT. Anjian Indonesia Industrial was owned as to 99% by Hangzhou CIEC Anjian Technology Service Co., Ltd. (杭州熱聯安建科技服務有限公司) ("**Hangzhou CIEC Anjian**") and 1% by ERGUNA GINTING, an Independent Third Party. Pursuant to the entrusted operation and management agreement entered into among Zhejiang Lianyu, as the entrustor and the registered shareholder holding 100% of the equity interest in Hangzhou CIEC Anjian, and Hangzhou CIEC Anzhi, as the entrustee and our wholly owned subsidiary, Hangzhou CIEC Anjian was accounted for as a consolidated subsidiary of our Company. Zhejiang Lianyu is in the process of transferring its entire equity interests in Hangzhou CIEC Anjian to us, and the entrusted operation and management agreement shall be terminated upon completion of the settlement of such equity transfer, which is expected to take place in December 2026.

- M Cogeneration Industrial Co., Ltd. is a limited liability company established in Thailand on February 3, 2025, which is mainly engaged in metal processing services. As of the Latest Practicable Date, M Cogeneration Industrial Co., Ltd. was owned as to 60% by our Company and 40% by Meisheng Investment Management Pte. Ltd, a limited liability company established in Singapore that ultimately controlled by Huang Huixiang (黃會祥) an Independent Third Party.

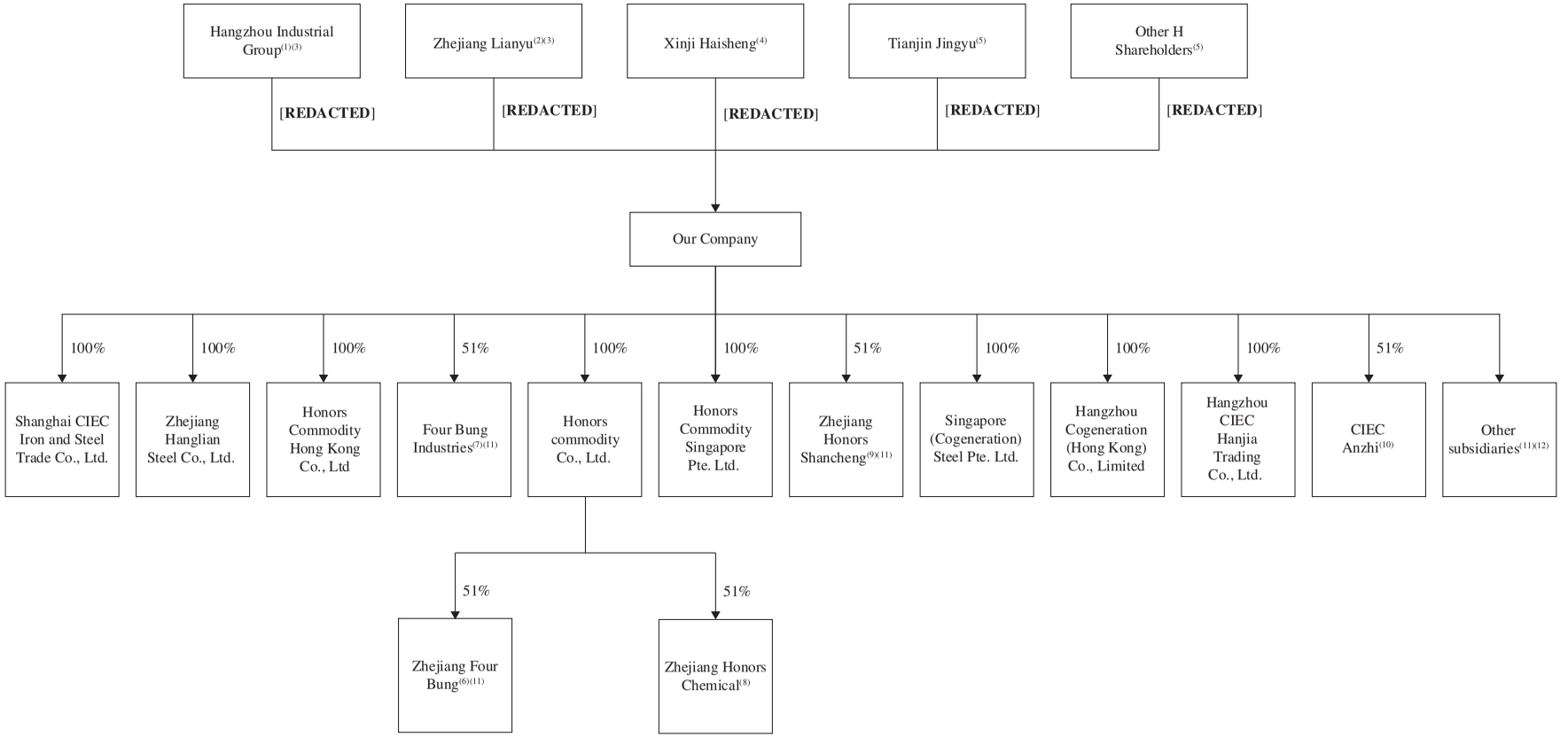
- Zhejiang Lianxin Environmental Protection Technology Co., Ltd. (浙江聯鑫環保科技有限公司) is a limited liability company established in the PRC on January 18, 2023, which is mainly engaged in waste metal recycling technology. As of the Latest Practicable Date, Zhejiang Lianxin Environmental Protection Technology Co., Ltd. was owned as to (i) 68.24% by our Company, (ii) 20% by Hangzhou Materials Recycling Co., Ltd. (杭州市物資回收有限公司), which is ultimately controlled by Zheng Defu (鄭德福), an Independent Third Party, and (iii) 11.76% by Hangzhou Tielian Enterprise Management Partnership Enterprise (Limited Partnership) (杭州鐵聯企業管理合夥企業(有限合夥)), which is owned as to 0.03% by its general partner Hangzhou Minghui Tanyun Trading Co., Ltd. (杭州明輝探雲貿易有限公司) and 99.97% by its limited partner Huang Ke (黃珂), and Independent Third Party. Hangzhou Minghui Tanyun Trading Co., Ltd. (杭州明輝探雲貿易有限公司) is owned as to 50% by Lao Hongbo (勞洪波), one of our Controlling Shareholders, and 50% by Shen Shuifang (沈水芳), an Independent Third Party.

- Hangzhou CIEC Wuhefeng Supply Chain Management Co., Ltd. (杭州熱聯五和峰供應鏈管理有限公司) is a limited liability company established in the PRC on July 15, 2026, which is mainly engaged in supply chain management services. As of the Latest Practicable Date, Hangzhou CIEC Wuhefeng Supply Chain Management Co., Ltd. was owned as to 70% by our Company and 30% by Zhongyang County Zhixu Xuanmei Co., Ltd. (中陽縣智旭選煤有限公司), which was ultimately controlled by Wen Qiugui (溫秋貴), an Independent Third Party.

- HONORS SHANCHENG COTE D'IVOIRE INDUSTRIAL SARL is a limited liability company established in Côte d'Ivoire on June 10, 2026, which is mainly engaged in processing and trading of rubber raw material. As of the Latest Practicable Date, HONORS SHANCHENG COTE D'IVOIRE INDUSTRIAL SARL was owned as to 51% by our Company and ultimately controlled by Bao Lili as to 49%. Other than being an associate of the substantial shareholder of Zhejiang Honors Shancheng, Bao Lili has no connected relationship with any of our Company, our Controlling Shareholders, our Directors or senior management.

Immediately Following the [REDACTED]

The following chart illustrates the simplified shareholding structure of our Group immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Note: See the notes in "— Immediately Prior to the [**REDACTED**] and as of the Latest Practicable Date" above.

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.

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.

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

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.

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,

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.

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.

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.

OUR BUSINESS

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.

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.

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 Revenue	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]																								
– Steel	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
– Iron ore	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	–	–	–
– Other raw materials	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.

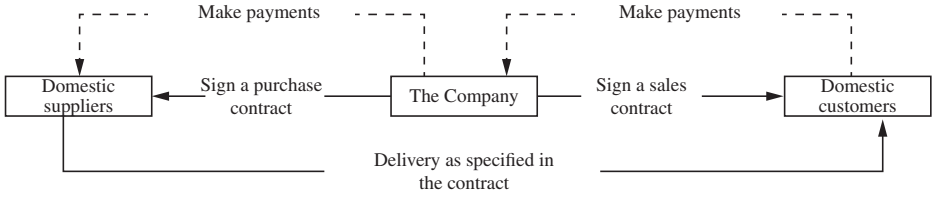
(2) During the Track Record Period, we primarily exported (i) ferrous metals and steelmaking raw materials to Turkey, Indonesia, Saudi Arabia and (ii) chemicals to Algeria and India.

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

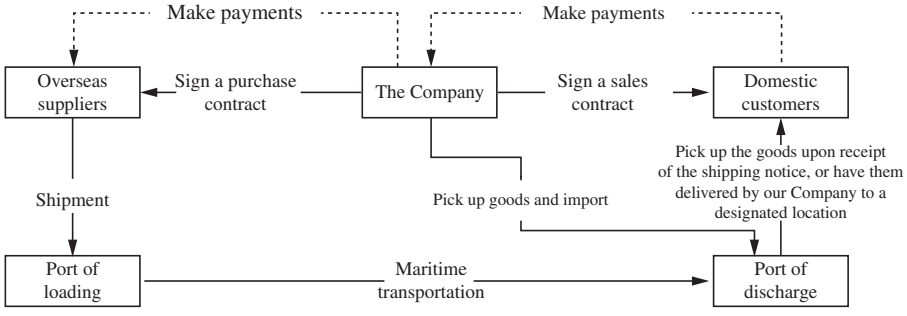
We conducted our commodity trading business primarily through four trading models during the Track Record Period, including (i) domestic trading, under which we source and distribute commodities within Chinese Mainland; (ii) import trading, under which we source commodities from overseas suppliers and 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.

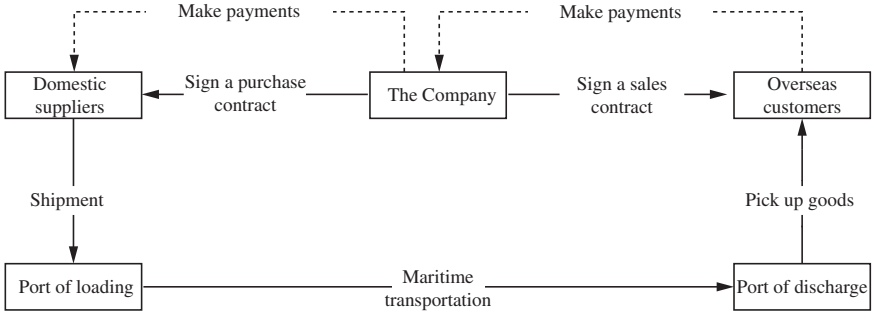
Domestic Trading



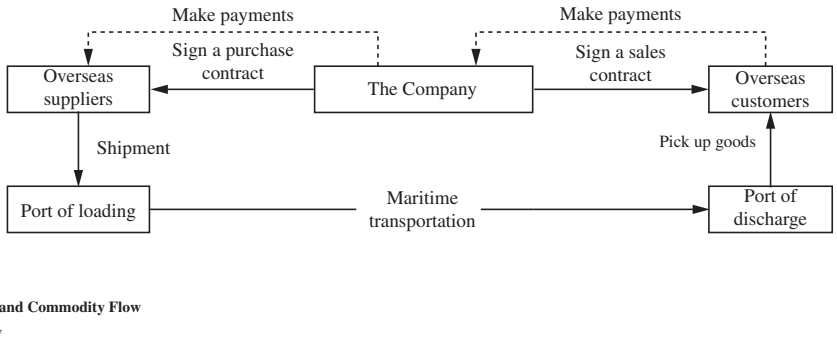
Import Trading



Export Trading



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.

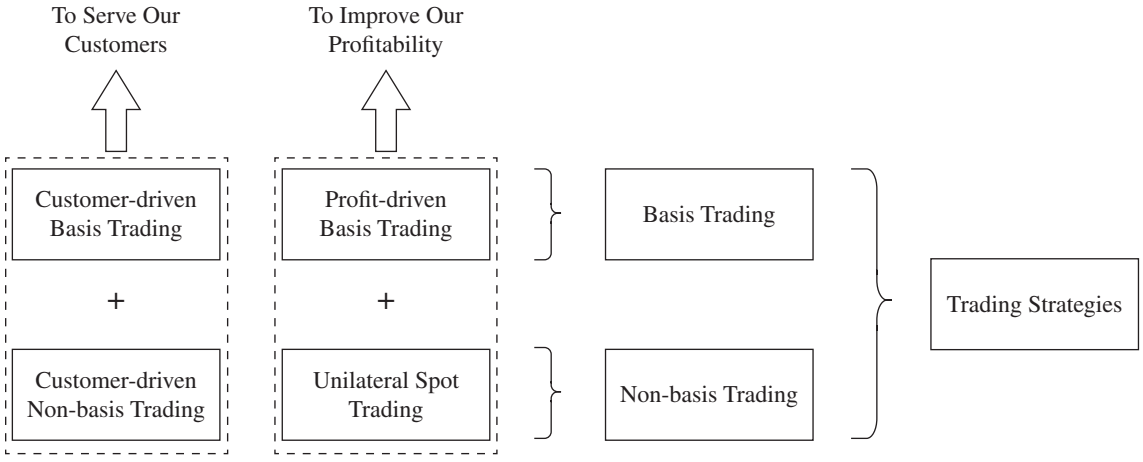
To determine the premium, we primarily take into account a variety of factors, including prevailing market demand and operating costs associated with fulfilling the contract, such as logistics expenses.

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.

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.

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.

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 o 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.

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

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.

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.

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	**13,334**	**14,964**	**15,215**	**8,364**

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.

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	Percentage of Total Revenue	Products Purchased	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2023							
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				

Rank	Customer	Revenue Amount	Percentage of Total Revenue	Products Purchased	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2024							
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	Percentage of Total Revenue	Products Purchased	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2025							
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				

Rank	Customer	Revenue Amount	Percentage of Total Revenue	Products Purchased	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Five Months Ended May 31, 2026							
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.

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.

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.

- ***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	Percentage of Total Purchase	Products Provided	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2023							
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				

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Products Provided	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2024							
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	Percentage of Total Purchase	Products Provided	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Year Ended December 31, 2025							
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				

Rank	Supplier	Purchase Amount	Percentage of Total Purchase	Products Provided	Payment Method	Credit Term	Business Relationship Since
		(RMB'000)	*(%)*				
Five Months Ended May 31, 2026							
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.

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.

The following table sets forth the details of our major customers being also suppliers, and our major suppliers being also customers, during the Track Record Period:

	Year ended December 31,												Five Months Ended May 31,			
	2023				2024				2025				2026			
	Revenue Contribution	Percentage of Total Revenue	Purchase Amount	Percentage of Total Purchase	Revenue Contribution	Percentage of Total Revenue	Purchase Amount	Percentage of Total Purchase	Revenue Contribution	Percentage of Total Revenue	Purchase Amount	Percentage of Total Purchase	Revenue Contribution	Percentage of Total Revenue	Purchase Amount	Percentage of Total Purchase
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
													(Unaudited)			
Customer A/ Supplier G[1]	5,189,559	2.1	3,899,099	1.3	6,447,858	2.4	7,402,704	2.0	6,108,445	2.3	8,420,673	2.3	1,871,817	1.7	2,927,403	2.1
Customer B[2]	5,111,936	2.0	3,260,478	1.1	4,329,125	1.6	5,739,760	1.6	3,585,153	1.3	6,644,648	1.8	2,495,131	2.3	2,437,786	1.8
Customer C[3]	3,939,569	1.6	2,536,480	0.8	4,813,696	1.8	120,853	0.0	121,477	0.0	330,171	0.1	–	–	9,703	0.0
Customer E[4]	3,275,467	1.3	1,678,552	0.6	3,185,139	1.2	1,564,726	0.4	2,500,592	0.9	2,391,212	0.6	1,394,016	1.3	657,154	0.5
Customer F[5]	1,017,390	0.4	914,122	0.3	3,796,810	1.4	905,161	0.2	5,438,779	2.0	1,343,741	0.4	1,326,575	1.2	869,806	0.6
Customer G[6]	83,864	0.0	55,417	0.0	3,499,285	1.3	87,603	0.0	8,436,677	3.1	367,420	0.1	5,447,312	4.9	11,845	0.0
Customer H[7]	2,135,083	0.8	2,666,739	0.9	3,631,085	1.3	5,328,651	1.5	2,896,328	1.1	3,749,888	1.0	1,750,694	1.6	1,190,596	0.9
Supplier A[8]	1,181,376	0.5	9,412,445	3.1	2,182,231	0.8	7,385,171	2.0	1,912,863	0.7	6,579,407	1.8	200,204	0.2	2,400,515	1.8
Supplier B[9]	1,011,178	0.4	8,978,529	3.0	1,187,299	0.4	7,742,969	2.1	819,608	0.3	7,000,266	1.9	461,408	0.4	1,608,840	1.2
Supplier C[10]	76,311	0.0	5,455,687	1.8	304,506	0.1	6,373,810	1.8	297,095	0.1	5,855,927	1.6	165,746	0.2	2,703,113	2.0
Supplier D[11]	558,625	0.2	4,670,706	1.5	270,256	0.1	2,806,254	0.8	2,196	0.0	4,619,031	1.2	2,738	0.0	1,327,531	1.0
Supplier F[12]	469,030	0.2	2,976,223	1.0	815,587	0.3	7,818,687	2.2	295,940	0.1	7,565,813	2.0	190,230	0.2	3,475,487	2.5
Supplier H[13]	1,453,956	0.6	2,902,790	1.0	1,053,775	0.4	6,219,997	1.7	2,122,171	0.8	8,763,016	2.3	759,794	0.7	3,641,251	2.7
Supplier I[14]	11,316	0.0	8,547	0.0	483,945	0.2	681,100	0.2	433,363	0.2	7,818,375	2.1	10,093	0.0	4,985,715	3.7
Supplier J[15]	720,134	0.3	3,977,688	1.3	1,031,126	0.4	5,245,971	1.1	827,483	0.3	4,161,085	1.1	374,319	0.3	2,766,005	2.0

Notes:

(1) See "— Sales and Distribution Network — Major Customers" and "— Our Suppliers — Major Suppliers" for products sold to Customer A and purchased from Supplier G, respectively.

(2) Customer B, in its capacity as a supplier, mainly supplied us with chemicals, ferrous metals and steelmaking raw materials, and non-ferrous metals. See "— Sales and Distribution Network — Major Customers" for products sold to Customer B.

(3) Customer C, in its capacity as a supplier, mainly supplied us with non-ferrous metals. See "— Sales and Distribution Network — Major Customers" for products sold to Customer C.

(4) Customer E, in its capacity as a supplier, mainly supplied us with ferrous metals and steelmaking raw materials and chemicals. See "— Sales and Distribution Network — Major Customers" for products sold to Customer E.

(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 steelmaking raw materials 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 F, 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 F.

(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.

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.

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

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.

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 contacts 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."

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.

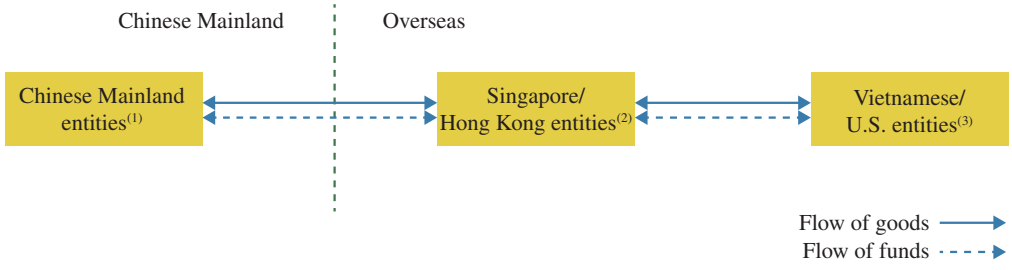
We have implemented internal controls and risk management procedures for our hedging activities in compliance with relevant laws and regulations, including commodity futures regulations. We adhere strictly to the basic principles of hedging, establish internal control systems related to hedging, and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

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.

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,

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.

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.

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.

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

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.

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.

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

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.

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_2e	300.93	252.00	210.97	32.94
Scope 2 GHG emissions[2]	tCO_2e	682.42	715.01	777.78	277.54
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	983.35	967.01	988.75	310.48
GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/RMB10,000 of revenue	0.000038	0.000035	0.000037	0.000028
Scope 3 GHG emissions[3]	tCO_2e	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 CO_2 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.

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

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

- 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.

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

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 moths 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.

(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.

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

- 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.

You should read the following discussion and analysis in conjunction with our combined financial statements included in the Accountants' Report in Appendix I to this document, together with the respective accompanying notes. Our combined financial information has been prepared in accordance with HKFRSs. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider all of the information provided in this document.

OVERVIEW

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.

Our revenue increased by 7.3% from RMB252,132.4 million in 2023 to RMB270,629.9 million in 2024, and remained relatively stable at RMB270,479.0 million 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. 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.

BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). All applicable new and revised HKFRSs effective for the accounting period commencing on or before January 1, 2026 have been early adopted by us in the preparation of the Historical Financial Information during the Track Record Period.

The Historical Financial Information has been prepared under the historical cost basis, except for the assets and liabilities measured at fair value, as explained in the accounting policies set out in Note 2 to the Accountants' Report in Appendix I to this document which conform with HKFRSs.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Macroeconomic Conditions

Our business, financial condition and results of operations have been, and will continue to be, affected by macroeconomic conditions in the markets in which we operate, including (i) macroeconomic, political and regulatory developments in the countries and regions where we operate, (ii) shifts in supply and demand across geographies, commodity types and time periods that may affect commodity prices, and (iii) general market sentiment, geopolitical tensions, natural disasters, public health events and other force majeure factors that may disrupt supply chains and affect market liquidity and pricing.

Our ability to navigate evolving macroeconomic conditions is important to us. Our long-term trading expertise has enabled us to accumulate market knowledge and insights, supported by our industry research and risk management capabilities. These capabilities allow us to manage risk exposures arising from spot commodity trading, including by using futures contracts in combination with spot commodity trading to mitigate the impact of spot price fluctuations, and to continuously serve our customers' needs at scale. In addition, many of the spot commodities we trade are subject to price volatility. As a result, price differentials may arise across commodity forms, geographic markets and delivery periods. These differentials may create opportunities for us to enhance profitability through sourcing, transportation and distribution, and our ability to identify and capture such opportunities may affect our results of operations.

We believe that being a globalized commodity trading service provider and trader with leading market positions in multiple commodities enables us, among other things, to maintain a broad and timely understanding of supply-and-demand dynamics, respond quickly to changes in market conditions, and gain insights into trade flows and evolving customer requirements. These strengths support our ability to navigate macroeconomic trends and market cycles and, where appropriate, capture trading opportunities, which in turn support our long-term growth and competitiveness.

Trading Volume

Our total trading volume increased from 2023 to 2025, and remained relatively stable at the five months ended May 31, 2025 and 2026. Our trading volume is primarily driven primarily by market demand for the commodities we trade and our ability to source and distribute the required commodities in a timely and reliable manner to meet that demand.

Market demand for different commodity products may fluctuate due to a range of factors, including the availability of supply in a given market, changes in production capacity, additional supply entering the market, operational disruptions at major suppliers, and production or logistics interruptions caused by natural disasters.

To meet market demand, we have implemented a range of measures. We continue to strengthen relationships with upstream suppliers through investments, collaborations and services. For example, we collaborate with steel producers to enhance supply stability and secure access to resources. Leveraging our industry research capabilities, we also seek to identify shifts in demand and respond promptly by securing suitable supply and meeting customers' needs. For example, as demand increased for new energy material-related commodities such as lithium carbonate and industrial silicon, we acted quickly to capture these opportunities, secure quality supply and meet customer demand, thereby contributing to the growth of our chemical commodities business. In addition, we differentiate ourselves by providing customers with a broad range of trading approaches and services tailored to their diverse needs.

Leveraging our trading scale and research capabilities, we will continue to enhance our ability to identify market demand, source required commodities and deliver reliable supply, thereby supporting the growth of our trading volume and our results of operations.

Business Expansion

Our ability to expand our business is important to our results of operations. By expanding our commodity portfolio, service offerings and geographic presence, we seek to capture growth opportunities in both the PRC and overseas markets. This diversification also helps us better serve our customers' evolving needs and mitigate risks associated with reliance on any single market, product or region.

We commenced operations with a focus on ferrous metals and related steelmaking raw materials and have since expanded into additional commodity categories, including chemicals and non-ferrous metals. In the five months ended May 31, 2026, we sourced and distributed over 294

categories of commodities. Our expansion has been complemented by the development and implementation of multiple trading approaches to enhance service capabilities and capture trading opportunities under different market conditions. By adapting our offerings to market demand, we have strengthened our competitive position and expanded our customer base.

At the same time, we continue to broaden our geographic presence by deepening penetration in existing markets, while also entering new markets in China and overseas. As of the Latest Practicable Date, we had 17 overseas subsidiaries and offices, with business activities spanning over 80 countries and regions worldwide during the Track Record Period.

We believe that this continued expansion not only supports revenue growth, but also enhances our resilience to changes in market conditions and contributes to our long-term, sustainable development.

Commodity Prices

Our results of operations have been and will continue to be affected by our ability to effectively manage our operations amid commodity price volatility. Commodity prices are influenced by many factors, including supply and demand dynamics, speculative activities by market participants, global political and economic conditions, industry cycles, and production activities and costs in major producing countries. In addition, commodity prices can be affected by prevailing contractual terms and hedging activity in the market. Prices of the commodities we trade may vary significantly as actual and expected supply and demand change.

While each commodity is influenced by its own commodity-specific drivers and events affecting pricing, the prices of many commodities we trade also generally move in line with broader macroeconomic trends and relevant market pricing indices, and may exhibit correlations, particularly during market-wide upcycles or downcycles.

We take various initiatives to manage the impact of price volatility and market cycles on our operations. For example, we use futures contracts, together with spot commodity trading, to mitigate spot price fluctuations. We also seek to capture trading opportunities arising from price volatility and price discrepancies. In addition, as we continue to expand our business, we have reduced our reliance on any single commodity or market. We believe these measures have supported our performance during the Track Record Period, as reflected in our revenue and profitability, and will continue to support our growth and long-term profitability.

Basis Trading

During the Track Record Period, we conducted the majority of our spot commodity trading with derivative instruments, primarily futures contracts, thereby forming basis trading. In a typical basis trading transaction, we trade in both the spot and futures markets. We enter into spot contracts to purchase or sell specified types and quantities of commodities and simultaneously establish an offsetting futures position in the same or a related commodity. See "Business — Our Business — Trading Strategies — Customer-driven Basis Trading" and "Business — Our Business — Trading Strategies — Profit-driven Basis Trading" for details of our basis trading.

While revenue and cost of sales are important in understanding the scale of our trading, they primarily reflect the spot leg of basis trading. To assess our results of operations more holistically, it is also important to consider the related gains and losses from futures contracts, which are reflected in other income and gains and other expenses. Basis trading may affect the following line items in our consolidated statements of profit or loss:

- Revenue. Our revenue is affected by movements in prevailing spot prices because the pricing of our spot commodity trading is generally referenced to prevailing spot prices.

- Cost of sales. Our cost of sales primarily consists of the costs of procuring commodities, which generally fluctuate in line with prevailing spot prices for those commodities.

- Other income and gains, and other expenses. Gains and losses arising from futures contracts are reflected in (i) other income and gains, including (a) net gains from derivative financial instruments not designated for hedging and (b) net gains on fair value hedges of commodity firm commitments and inventories, and (ii) other expenses, namely net losses on fair value hedges of commodity firm commitments and inventories.

As a result, we also use spot-and-futures gross profit margin as a supplemental operating metric to assess our results of operations, which is consistent with market practice, according to Frost & Sullivan. The following table sets forth our spot-and-futures gross profit margins during the Track Record Period:

		Year Ended December 31,			Five Months Ended May 31,
		2023	2024	2025	2026
Revenue from commodity trading (RMB'000)	A	250,481,984	269,788,789	269,823,448	110,242,474
Cost of commodity trading (RMB'000)	B	248,660,231	268,036,780	268,242,601	108,165,239
Net gains from futures contracts (RMB'000)[(1)]	C	1,315,136	1,956,836	2,384,194	(514,454)
Spot-and-futures gross profit (RMB'000)	D=A-B+C	3,136,888	3,708,844	3,965,041	1,562,781
Spot-and-futures gross profit margin (%)	E=D/A	1.3	1.4	1.5	1.4

Note:

(1) Net gains from futures contracts are calculated as the aggregate of the net gains or losses mainly attributable to futures contracts recognized under (i) net gains from derivative financial instruments not designated for hedge accounting, (ii) net gains on fair value hedge of commodity firm commitments and inventories, and (iii) net loss on fair value hedge of commodity firm commitments and inventories.

As we further scale our business, we expect basis trading to continue to support our revenue, profitability and long-term growth prospects.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

We set forth below material accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 2 and 3 of the Accountants' Report set out in Appendix I to this document.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on customers' acceptance of the products upon delivery.

We have certain sales where the contract terms for our certain products sales allow for a price adjustment based on a final assay of the goods determined after discharge. We assess such pricing to be a variable consideration and recognize revenue at a most likely amount. We determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of products with price adjustment, given that supplier is capable of providing the weight and inspection results at the port of loading. This amount is based on the most recently determined estimate of product assays. We apply judgment regarding the likelihood of significant reversals to ensure that revenue is only recognized to the extent that it is highly probable that significant reversal will not occur. Any adjustments to the final price are recognized as revenue.

For certain commodities, the sales price is determined on a provisional basis at the date of sales as the final selling price is subjected to movements in benchmark marketing prices up to the date of final pricing, normally ranging from 30 days to 90 days after initial booking (provisionally price sales). Revenue on provisionally priced sales is recognized based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sale arrangements has the character of a commodity derivative. Accordingly, the fair value of final sales adjustment is re-estimated continuously and change in fair value are presented as an adjustment to revenue.

Rendering of services

The services rendered include supply chain and consulting services, etc. Should any of the following conditions be satisfied, the services provided by us are performance obligations fulfilled within a certain period of time. We recognize revenue within a period of time in accordance with the progress of contract performance. The conditions are: (i) the customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (ii) the customer is able to control the products under construction during our performance; and (iii) our products have no alternative uses, and we have the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, we recognize revenue at the point the customer obtains control of the relevant services.

Revenue from Other Sources

Rental income is recognized on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are incurred.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

The following table sets forth a summary of our results of operations, in absolute amounts and as percentages of our total revenue, 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*	*%*
Revenue	**252,132,435**	**100.0**	**270,629,944**	**100.0**	**270,479,007**	**100.0**	**109,458,806**	**100.0**	**110,492,986**	**100.0**
Cost of sales	(249,948,109)	(99.1)	(268,730,800)	(99.3)	(268,757,519)	(99.4)	(109,350,725)	(99.9)	(108,365,303)	(98.1)
Gross profit	**2,184,326**	**0.9**	**1,899,144**	**0.7**	**1,721,488**	**0.6**	**108,081**	**0.1**	**2,127,683**	**1.9**
Other income and gains	1,687,132	0.7	2,512,687	0.9	3,039,757	1.1	2,213,961	2.0	473,329	0.4
Selling and distribution costs	(957,052)	(0.4)	(1,015,383)	(0.4)	(763,567)	(0.3)	(264,369)	(0.2)	(250,029)	(0.2)
Administrative expenses	(663,004)	(0.3)	(662,810)	(0.2)	(723,990)	(0.3)	(298,687)	(0.3)	(325,780)	(0.3)
Other expenses	(41,078)	(0.0)	(341,777)	(0.1)	(611,087)	(0.2)	(812,257)	(0.7)	(932,394)	(0.8)
Finance costs	(934,933)	(0.4)	(937,486)	(0.3)	(753,638)	(0.3)	(333,460)	(0.3)	(351,155)	(0.3)
Impairment losses under expected credit loss model, net of reversal	71,255	0.0	143,168	0.1	(159,671)	(0.1)	4,193	0.0	(54,396)	(0.0)
Share of profits of associates	80,337	0.0	64,440	0.0	52,814	0.0	18,462	0.0	46,334	0.0
Profit before tax	**1,426,983**	**0.6**	**1,661,983**	**0.6**	**1,802,106**	**0.7**	**635,924**	**0.6**	**733,592**	**0.7**
Income tax	(394,660)	(0.2)	(230,965)	(0.1)	(367,535)	(0.1)	(111,535)	(0.1)	(179,482)	(0.2)
Profit for the year/period	**1,032,323**	**0.4**	**1,431,018**	**0.5**	**1,434,571**	**0.6**	**524,389**	**0.5**	**554,110**	**0.5**

Revenue

Revenue by Business Segments

During the Track Record Period, we generated substantially all of our revenue from commodity trading. The following table sets forth a breakdown of our total revenue by business segment, in absolute amounts and as percentages of our total revenue, 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*	*%*
Commodity trading	250,481,984	99.3	269,788,789	99.7	269,823,448	99.8	109,228,164	99.8	110,242,474	99.8
Others[(1)]	1,650,451	0.7	841,155	0.3	655,559	0.2	230,642	0.2	250,512	0.2
Total	**252,132,435**	**100.0**	**270,629,944**	**100.0**	**270,479,007**	**100.0**	**109,458,806**	**100.0**	**110,492,986**	**100.0**

Note:

(1) Others primarily include revenue from supply chain services and leasing services and, to a lesser extent, revenue from other businesses, such as consulting services.

Revenue by Geographical Locations

During the Track Record Period, we primarily generated revenue from Chinese Mainland. The following table sets forth a breakdown of our revenue by geographic locations, in absolute amounts and as percentages of our revenue, 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*	*%*
Chinese Mainland	**207,704,586**	**82.4**	**238,766,715**	**88.2**	**226,624,519**	**83.8**	**93,406,679**	**85.3**	**94,248,472**	**85.3**
Other countries/regions										
– Southeast Asia[(1)]	13,317,692	5.3	9,280,145	3.4	15,920,336	5.9	6,244,936	5.7	5,337,205	4.8
– East Asia[(2)]	12,189,957	4.8	9,884,095	3.7	8,963,471	3.3	3,650,777	3.3	3,206,577	2.9
– West Asia[(3)]	8,909,279	3.5	5,606,983	2.1	9,376,144	3.5	2,938,536	2.7	4,580,847	4.1
– Others[(4)]	10,010,921	4.0	7,092,006	2.6	9,594,537	3.5	3,217,878	3.0	3,119,885	2.9
Subtotal	**44,427,849**	**17.6**	**31,863,229**	**11.8**	**43,854,488**	**16.2**	**16,052,127**	**14.7**	**16,244,514**	**14.7**
Total	**252,132,435**	**100.0**	**270,629,944**	**100.0**	**270,479,007**	**100.0**	**109,458,806**	**100.0**	**110,492,986**	**100.0**

Notes:

(1) Southeast Asia primarily include Singapore, Vietnam, Thailand, the Philippines and Malaysia.

(2) East Asia primarily include Hong Kong, Taiwan, Japan and South Korea.

(3) West Asia primarily include Turkey, Saudi Arabia, Pakistan and Jordan.

(4) Others primarily include Switzerland, Brazil, the United States and India.

Revenue of Commodity Trading by Commodity Types

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	13.1	12,445,614	11.4	16,586,325	15.0
– Other raw materials	1,995,919	0.8	4,327,308	1.7	8,452,963	3.1	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**

	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*	*%*
Chemicals										
– Polyester	17,299,495	6.9	29,336,453	10.9	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**
Total	**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.

The following table sets forth trading volume and average trading price of commodity trading by commodity type for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price
	Ton'000	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*
Ferrous metals and steelmaking raw materials										
– Steel	30,920	3,201	36,530	2,491	39,939	2,606	16,484	2,658	14,281	2,960
– Iron ore	46,467	671	45,858	619	63,212	558	22,824	545	26,516	626
– Other raw materials	854	2,337	3,591	1,205	7,460	1,133	2,937	1,157	4,113	1,379
Subtotal/Overall	**78,241**	**1,689**	**85,979**	**1,439**	**110,611**	**1,336**	**42,245**	**1,412**	**44,910**	**1,437**
Chemicals										
– Polyester	3,830	4,517	6,568	4,467	9,379	3,203	3,725	2,987	2,286	4,464
– Aromatics	3,679	7,108	5,119	7,753	4,590	6,184	1,996	6,670	1,737	6,931
– Rubber	771	9,337	955	12,768	971	12,095	412	13,304	281	13,055
– Other chemical products	6,127	3,735	9,192	3,201	9,603	3,243	3,888	3,169	3,058	4,455
Subtotal/Overall	**14,407**	**5,104**	**21,834**	**5,067**	**24,543**	**4,128**	**10,021**	**4,215**	**7,362**	**5,370**
Non-ferrous metals	**863**	**43,173**	**1,087**	**28,274**	**680**	**23,003**	**218**	**25,574**	**214**	**20,441**
Other commodities[(1)]	**2,830**	**2,661**	**2,793**	**1,679**	**5,824**	**865**	**1,530**	**1,151**	**1,527**	**1,180**
Total/Overall	**96,341**	**2,600**	**111,693**	**2,415**	**141,658**	**1,905**	**54,014**	**2,022**	**54,013**	**2,041**

Note:

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

Our average trading price of commodities decreased from RMB2,600 per ton in 2023 to RMB2,415 per ton in 2024, and further decreased to RMB1,905 per ton in 2025, primarily due to the decline in the average spot prices of ferrous metals and steelmaking raw materials and chemicals, which was in line with the market price indices. Our average trading price of commodities increased from RMB2,022 per ton in the five months ended May 31, 2025 to RMB2,041 per ton in the five months ended May 31, 2026, primarily due to the upward spot price trend of certain ferrous metals and steelmaking raw materials and chemicals, such as steel, iron ore and coal and coke.

The following table sets forth a breakdown of trading volume and average trading price of commodity by geographic locations for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price	Trading volume	Average trading price
	Ton'000	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*	*Ton'000*	*RMB/ton*
Chinese Mainland	**82,152**	**2,508**	**97,556**	**2,439**	**119,453**	**1,892**	**45,905**	**2,035**	**48,024**	**1,963**
Overseas										
– Southeast Asia[(1)]	4,030	3,304	5,613	1,648	8,903	1,781	2,703	2,310	1,819	2,934
– East Asia[(2)]	4,495	2,712	2,951	3,349	7,137	1,256	3,181	1,148	1,933	1,659
– West Asia[(3)]	2,086	4,271	1,936	2,896	2,504	3,742	1,127	2,607	1,266	3,618
– Others[(4)]	3,578	2,797	3,637	1,950	3,661	2,620	1,098	2,931	971	3,213
Subtotal/Overall	**14,189**	**3,131**	**14,137**	**2,252**	**22,205**	**1,972**	**8,109**	**1,980**	**5,989**	**2,712**
Total/Overall	**96,341**	**2,600**	**111,693**	**2,415**	**141,658**	**1,905**	**54,014**	**2,026**	**54,013**	**2,046**

Notes:

(1) Southeast Asia primarily include Singapore, Vietnam, Thailand, the Philippines and Malaysia.

(2) East Asia primarily include Hong Kong, Taiwan, Japan and South Korea.

(3) West Asia primarily include Turkey, Saudi Arabia, Pakistan and Jordan.

(4) Others primarily include Switzerland, Brazil, the United States and India.

Comparison between the five months ended May 31, 2026 and 2025. Our revenue remained relatively stable at RMB109,458.8 million in five months ended May 31, 2025 and RMB110,493.0 million during the same period in 2026. Specifically:

- *Ferrous metals and steelmaking raw materials*. Our revenue from ferrous metals and steelmaking raw materials increased by 8.2% from RMB59,650.4 million in the five months ended May 31, 2025 to RMB64,530.6 million during the same period in 2026, primarily due to an increase in both trading volume and average trading prices of certain ferrous metals and steelmaking raw materials such as iron ore and coal and coke.

- *Chemicals*. Our revenue from chemicals decreased by 6.4% from RMB42,242.0 million in the five months ended May 31, 2025 to RMB39,534.9 million during the same period in 2026, primarily due to the decrease in trading volume resulting from the decline in market demand as a result of higher price of crude oil, partially offset by the increase in average trading price in line with the market price indices.

- *Non-ferrous metals*. Our revenue from non-ferrous metals decreased by 21.5% from RMB5,575.2 million in the five months ended May 31, 2025 to RMB4,374.3 million during the same period in 2026, primarily due to a decrease in both trading volume and average trading prices of certain non-ferrous metals, reflecting changes in the types of non-ferrous metals traded. In particular, the proportion of the trading volume of certain non-ferrous metals with higher trading prices, such as copper, decreased, while that of aluminum and zinc with lower trading prices, increased.

Comparison between 2025 and 2024. Our revenue remained relatively stable at RMB270,629.9 million in 2024 and RMB270,479.0 million in 2025. Specifically:

- *Ferrous metals and steelmaking raw materials.* Our revenue from ferrous metals and steelmaking raw materials increased by 19.5% from RMB123,730.7 million in 2024 to RMB147,827.8 million in 2025, primarily due to (i) an increase in trading volume of steel by 9.3% resulting from our expansion of commodity portfolio to include specialty steel products to meet the market demand, and (ii) an increase in the trading volume of iron ore by 37.8%, and coal and coke by 107.6%.

- *Chemicals.* Our revenue from chemicals decreased by 8.4% from RMB110,641.6 million in 2024 to RMB101,312.3 million in 2025, primarily due to the decrease in average trading price by 18.5% in line with the market price indices, partially offset by the increase in trading volume by 12.4% resulting from our expansion of commodity portfolio to include new energy related-materials to meet the market demand.

- *Non-ferrous metals.* Our revenue from non-ferrous metals decreased by 49.1% from RMB30,724.5 million in 2024 to RMB15,648.8 million in 2025, primarily due to (i) the decrease in trading volume by 37.4%, driven by the optimization of our customer base and streamlining of our sales team, and (ii) a decrease in the average trading price resulting from changes in the types of non-ferrous metals traded, as commodities with relatively lower trading prices accounted for a higher proportion of our trading volume. For example, the proportion of ferronickel in our non-ferrous metals trading volume increased from 0.4% in 2024 to 13.1% in 2025.

Comparison between 2024 and 2023. Our revenue increased by 7.3% from RMB 252,132.4 million in 2023 to RMB270,629.9 million in 2024. Specifically:

- *Ferrous metals and steelmaking raw materials*. Our revenue from ferrous metals and steelmaking raw materials decreased by 6.4% from RMB132,181.2 million in 2023 to RMB123,730.7 million in 2024, primarily due to the decrease in average trading price by 14.8%, which was in line with the fluctuations of market price indices, partially offset by the increase in trading volume by 9.9% resulting from our expansion of commodity portfolio to include specialty steel products to meet the market demand.

- *Chemicals*. Our revenue from chemicals increased by 50.5% from RMB73,532.2 million in 2023 to RMB110,641.6 million in 2024, primarily due to (i) the increase in trading volume by 51.6% resulting from our enhanced customer development and market penetration, which was in line with our business expansion, and (ii) an increase in average trading price of rubber by 36.7%.

- *Non-ferrous metals*. Our revenue from non-ferrous metals decreased by 17.5% from RMB37,238.4 million in 2023 to RMB30,724.5 million in 2024, primarily due to the decrease in average trading price by 34.5% resulting from changes in the types of non-ferrous metals traded, as commodities with relatively higher trading prices accounted for a lower proportion of our trading volume. For example, the proportion of copper in our non-ferrous metals trading volume decreased from 64% in 2023 to 48% in 2024, while the combined proportion of aluminum and zinc, which had relatively lower average trading prices, increased from 35% in 2023 to 50% in 2024.

Cost of Sales

Cost of Sales by Nature

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, 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*	*%*
Procurement of commodities	247,314,301	98.9	266,050,496	99.0	266,269,324	99.1	108,377,930	99.1	107,352,319	99.1
Others[(1)]	2,633,808	1.1	2,680,304	1.0	2,488,195	0.9	972,795	0.9	1,012,984	0.9
Total	**249,948,109**	**100.0**	**268,730,800**	**100.0**	**268,757,519**	**100.0**	**109,350,725**	**100.0**	**108,365,303**	**100.0**

Note:

(1) Others primarily include logistics expenses.

Cost of Sales by Business Segments

The following table sets forth a breakdown of our cost of sales by business segments, in absolute and as a percentage of our total cost of sales, 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*	*%*
Commodity trading	248,660,231	99.5	268,036,780	99.7	268,242,601	99.8	109,154,661	99.8	108,165,239	99.8
Others[(1)]	1,287,878	0.5	694,020	0.3	514,918	0.2	196,064	0.2	200,064	0.2
Total	**249,948,109**	**100.0**	**268,730,800**	**100.0**	**268,757,519**	**100.0**	**109,350,725**	**100.0**	**108,365,303**	**100.0**

Note:

(1) Others primarily include expenses of logistics and leasing services.

Our cost of sales increased by 7.5% from RMB249,948.1 million in 2023 to RMB268,730.8 million in 2024, and remained relatively stable in 2024 and 2025. Such increase in 2024 was primarily due to the increase in procurement of commodities to support our business expansion. Our cost of sales remained relatively stable at RMB109,350.7 million in the five months ended May 31, 2025 and RMB108,365.3 million during the same period in 2026.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments and commodity types for the periods indicated:

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Commodity trading										
Ferrous metals and steelmaking raw materials										
– Steel	1,223,060	1.2	829,005	0.9	1,060,234	1.0	547,812	1.3	397,331	0.9
– Iron ore	681,383	2.2	66,716	0.2	716,249	2.0	60,574	0.5	(50,856)	(0.3)
– Other raw materials	(134,126)	(6.7)	(367,027)	(8.5)	31,359	0.4	(286,429)	(8.4)	546,846	9.6
Subtotal/Overall	**1,770,317**	**1.3**	**528,694**	**0.4**	**1,807,842**	**1.2**	**321,957**	**0.5**	**893,321**	**1.4**
Chemicals										
– Polyester	(43,034)	(0.2)	89,728	0.3	160,001	0.5	230,659	2.1	127,101	1.2
– Aromatics	110,005	0.4	391,964	1.0	140,693	0.5	130,420	1.0	(96,784)	(0.8)
– Rubber	(26,939)	(0.4)	534,449	4.4	(371,901)	(3.2)	(125,925)	(2.3)	254,516	6.9
– Other chemical products	(211,019)	(0.9)	17,809	0.1	(338,964)	(1.1)	(405,200)	(3.3)	838,590	6.2
Subtotal/Overall	**(170,987)**	**(0.2)**	**1,033,950**	**0.9**	**(410,171)**	**(0.4)**	**(170,046)**	**(0.4)**	**1,123,423**	**2.8**
Non-ferrous metals	126,796	0.3	221,565	0.7	145,079	0.9	(75,154)	(1.3)	110,691	2.5
Other commodities[(1)]	95,626	1.3	(32,200)	(0.7)	38,098	0.8	(3,254)	(0.2)	(50,200)	(2.8)
Subtotal/Overall	**1,821,752**	**0.7**	**1,752,009**	**0.6**	**1,580,848**	**0.6**	**73,503**	**0.1**	**2,077,235**	**1.9**
Others[(2)]	**362,574**	**22.0**	**147,135**	**17.5**	**140,640**	**21.5**	**34,578**	**15.0**	**50,448**	**20.1**
Total/Overall	**2,184,326**	**0.9**	**1,899,144**	**0.7**	**1,721,488**	**0.6**	**108,081**	**0.1**	**2,127,683**	**1.9**

Notes:

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

(2) Others primarily include gross profit from logistics and leasing services.

Comparison between the five months ended May 31, 2026 and 2025. Our overall gross profit margin increased from 0.1% for the five months ended May 31, 2025 to 1.9% for the five months ended May 31, 2026. Specifically:

- *Ferrous metals and steelmaking raw materials.* Our gross profit margin from ferrous metals and steelmaking raw materials increased from 0.5% for the five months ended May 31, 2025 to 1.4% for the five months ended May 31, 2026, primarily due to the increase in the trading prices of spot commodities such as spodumene and coal and coke, which was in line with the fluctuations of market price indices.

- *Chemicals.* Our gross loss margin from chemicals of 0.4% for the five months ended May 31, 2025 improved to gross profit margin of 2.8% for the five months ended May 31, 2026, primarily due to the increase in trading prices of spot commodities such as lithium carbonate, which was in line with the fluctuations of market price indices.

- *Non-ferrous metals.* Our gross loss margin from non-ferrous metals of 1.3% for the five months ended May 31, 2025 improved to gross profit margin of 2.5% for the five months ended May 31, 2026, primarily due to the increase in the trading prices of spot commodities such as copper and aluminum. Despite such increase in prices, our average trading price of non-ferrous metals decreased, primarily due to changes in the types of non-ferrous metals traded, as the trading volume of certain non-ferrous metals with higher trading prices, such as copper, decreased, while the trading volume of aluminum and zinc with lower trading prices, increased.

Comparison between 2025 and 2024. Our overall gross profit margin remained relatively stable at 0.7% in 2024 and 0.6% in 2025. Specifically:

- *Ferrous metals and steelmaking raw materials.* Our gross profit margin from ferrous metals and steelmaking raw materials increased from 0.4% in 2024 to 1.2% in 2025, primarily due to (i) an increase in trading volume of steel with a relatively higher gross profit margin, (ii) the improvement in the gross profit margin of iron ore as a result of our optimized business strategy, and (iii) an increase in the trading prices of other raw materials such as spodumene.

- *Chemicals.* Our gross profit margin from chemicals of 0.9% in 2024 decreased to gross loss margin of 0.4% in 2025, primarily due to the decline in trading prices of our aromatic products such as styrene and benzene, as well as rubber products.

- *Non-ferrous metals.* Our gross profit margin from non-ferrous metals increased from 0.7% in 2024 to 0.9% in 2025, primarily due to the increase in the trading prices of spot commodities such as copper and aluminum. Despite such increase in prices, our average trading price of non-ferrous metals decreased, primarily due to changes in the types of non-ferrous metals traded, as the trading volume of copper decreased, while the trading volume of aluminum and zinc increased.

Comparison between 2024 and 2023. Our overall gross profit margin remained relatively stable at 0.9% in 2023 and 0.7% in 2024. Specifically:

- *Ferrous metals and steelmaking raw materials*. Our gross profit margin from ferrous metals and steelmaking raw materials decreased from 1.3% in 2023 to 0.4% in 2024, primarily due to the decline in the trading prices of spot commodities such as iron ore, and coal and coke, which was in line with the fluctuations of market price indices.

- *Chemicals.* Our gross loss margin from chemicals of 0.2% in 2023 improved to gross profit margin of 0.9% in 2024, primarily due to an overall upward shift in the trading prices of chemicals. Despite such increase in prices, our average trading price of chemicals decreased due to changes in commodity types. In particular, the trading volume of certain chemicals with higher trading prices decreased, while that of chemicals with lower trading prices, such as purified terephthalic acid ("PTA") and ethylene glycol, increased.

- *Non-ferrous metals.* Our gross profit margin from non-ferrous metals increased from 0.3% in 2023 to 0.7% in 2024, primarily due to the increase in the trading prices of spot commodities such as copper and aluminum. Despite such increase in prices, our average trading price of non-ferrous metals decreased, primarily due to changes in the types of non-ferrous metals traded.

During the Track Record Period, we conducted most of our commodity trading using a basis trading strategy, which combines spot commodity trading with related derivative financial instruments, primarily futures contracts. Under the applicable accounting standards in accordance with HKFRSs, the results of spot commodity trading are recognized in revenue and cost of sales, while the results of derivative financial instruments are recognized separately under other income

and gains or other expenses. Therefore, a substantial portion of the economic returns generated from our basis trading is reflected in the gains from derivative financial instruments rather than gross profit, and such gains form an integral part of our trading strategy in the ordinary course of our basis trading activities.

As a result, our gross profit and gross profit margin, which are derived solely from our spot commodity transactions, do not fully reflect our overall financial performance or trading strategies, and we believe that net profit provides a more comprehensive measure of our overall profitability. In addition, to provide a more meaningful illustration of our performance, we also assess our performance using the spot-and-futures gross profit margin, which takes into account the combined results of spot commodity trading and related derivative financial instruments. This operating metric is commonly adopted in the commodity trading industry, and the calculation methodology of this operating metric is consistent with industry practice, according to Frost & Sullivan.

Going forward, we intend to manage our long-term profitability primarily by (i) achieving continuous revenue growth and (ii) improving cost efficiency. We aim to achieve continuous revenue growth while capturing trading opportunities by (i) capturing favorable market opportunities, where we increase trading volume and inventory levels when price differences between spot and futures markets are favorable to generate additional returns; (ii) expanding into new product categories by actively identifying and entering emerging commodity types, such as those driven by new energy and evolving industry trends; (iii) leveraging industry cycles by increasing inventory in commodities at relatively low price levels within their cycles and expanding trading volume as market conditions improve; (iv) strengthening customer relationships and monetization by deepening cooperation with high-quality customers and exploring more integrated collaboration models, including joint ventures and value chain partnerships, to capture additional value beyond traditional trading margins; and (v) enhancing products and service capabilities, such as establishing localized operating presence in overseas markets and expanding our global logistics and warehousing network to better respond to local demand and reduce cross-border operating costs.

To improve cost efficiency, we intend to strengthen our upstream sourcing capabilities to secure stable access to high-quality commodity resources and optimize procurement costs. As our business grows and our market recognition improves, we expect to benefit from economies of scale and enhanced bargaining power with suppliers and customers.

In addition, we expect our selling and distribution costs as a percentage of total revenue to decrease over time. This is primarily because (i) major expense components, such as employee compensation, generally do not increase proportionally with our revenue growth, (ii) our accumulated industry experience and proven track record in serving customer, particularly industry-leading customers, enhance our market recognition and facilitate customer acquisition, (iii) our established brand reputation and broad customer base drive word-of-mouth referrals and organic growth, thereby reducing reliance on excessive marketing and promotional activities, and (iv) we continue to enhance our organizational structure and management systems, including clarifying roles and responsibilities and optimizing incentive and accountability mechanisms, which improve operational efficiency, reduce organizational redundancies and support effective cost control.

Other Income and Gains

Our other income and gains primarily consist of (i) net gains from derivative financial instruments not designated for hedge accounting, primarily representing net gains from futures contracts that are not designated as hedging instruments, including (a) gains realized upon settlement of such futures contracts and (b) changes in their fair value during the period, (ii) interest income, primarily relating to bank deposit interest, and (iii) net gains on fair value hedge of commodity firm commitments and inventories, primarily representing net gains under hedge accounting primarily attributable to changes in basis levels.

The following table sets forth a breakdown of our other income and gains, both in absolute amounts and as percentages of our total other net income, 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Other income										
Interest income	368,536	21.8	280,970	11.2	205,759	6.8	97,609	4.4	55,992	11.8
Government grants	79,584	4.7	84,736	3.4	181,584	6.0	49,761	2.2	10,495	2.2
Investment income from disposal of financial assets measured at fair value through profit or loss	34,471	2.0	77,095	3.1	182,228	6.0	15,376	0.7	156,990	33.2
Compensation income[(1)]	155,595	9.2	64,281	2.6	75,095	2.5	26,669	1.2	3,925	0.8
Dividends from unlisted equity investments measured at fair value through profit or loss	1,826	0.1	3,555	0.1	2,382	0.1	417	0.0	11,514	2.4
Dividends from financial assets measured at fair value through profit or loss	9,010	0.5	648	0.0	6,553	0.2	142	0.0	–	–
Investment income from disposal of unlisted equity investments designated at fair value through profit or loss	–	–	–	–	14,683	0.5	–	–	–	–
Others	32,007	1.9	17,625	0.7	6,826	0.2	4,199	0.2	4,520	1.0
Total other income	**681,029**	**40.4**	**528,910**	**21.0**	**675,110**	**22.2**	**194,173**	**8.8**	**243,436**	**51.4**
Gains										
Net gains on fair value hedge of commodity firm commitments and inventories	–	–	–	–	261,814	8.6	–	–	218,868	46.2
Net gains from derivative financial instruments not designated for hedge accounting	889,899	52.7	1,962,774	78.1	2,079,003	68.4	2,000,864	90.4	–	–
– (Loss)/Gain realized upon settlement of futures contracts	(447,580)	(26.6)	2,343,317	93.2	839,500	27.6	1,989,056	89.9	–	–
– Changes in fair value	1,337,479	79.3	(380,543)	(15.1)	1,239,503	40.8	11,808	0.5	–	–
Net gains from changes in fair value of financial assets measured at fair value through profit or loss	21,315	1.3	8,218	0.3	18,906	0.6	14,445	0.7	–	–
Net gains from changes in fair value of unlisted equity investments measured at fair value through profit or loss	39,894	2.4	6,973	0.3	4,924	0.2	4,479	0.2	–	–
Gain on disposal of property, plant and equipment and intangible assets	1,713	0.1	2,614	0.1	–	–	–	–	731	0.2
Foreign exchange gains, net	43,976	2.6	3,198	0.1	–	–	–	–	–	–
Net gains from standard warehouse receipt trading	9,306	0.6	–	–	–	–	–	–	10,294	2.2
Total gains	**1,006,103**	**59.6**	**1,983,777**	**79.0**	**2,364,647**	**77.8**	**2,019,788**	**91.2**	**229,893**	**48.6**
Total other income and gains	**1,687,132**	**100.0**	**2,512,687**	**100.0**	**3,039,757**	**100.0**	**2,213,961**	**100.0**	**473,329**	**100.0**

Note:

(1) Primarily consisted of fees from customers for breach of contracts.

Comparison between the five months ended May 31, 2026 and 2025. Our other income and gains decreased by 78.6% from RMB2,214.0 million in the five months ended May 31, 2025 to RMB473.3 million during the same period in 2026, primarily due to a decrease in net gains from derivative financial instruments not designated for hedge accounting of RMB2,000.9 million, which was primarily attributable to commodity price fluctuations affecting the fair value movements of our derivative financial instruments, particularly those relating to chemicals. Such decrease was offset by an increase in gross profit from the corresponding spot commodity trading, resulting in relatively stable overall profitability from our integrated spot and derivatives trading activities.

Comparison between 2025 and 2024. Our other income and gains increased by 21.0% from RMB2,512.7 million in 2024 to RMB3,039.8 million in 2025, primarily driven by (i) the increase in net gains from derivative financial instruments not designated for hedge accounting of RMB116.2 million related to realized and unrealized gains from futures contracts arising from basis trading, and (ii) the increase in net gains on fair value hedge of commodity firm commitments and inventories of RMB261.8 million, primarily related to unfavorable changes in basis levels, as futures prices changed at a lower pace than spot prices, and (iii) the increase in investment income from disposal of financial assets measured at fair value through profit or loss of RMB105.1 million, partially offset by the decrease in interest income of RMB75.2 million due to the decrease in interest rates.

Comparison between 2024 and 2023. Our other income and gains increased by 48.9% from RMB1,687.1 million in 2023 to RMB2,512.7 million in 2024, primarily driven by the increase in net gains from derivative financial instruments not designated for hedge accounting of RMB1,072.9 million related to realized and unrealized gains from futures contracts arising from basis trading, partially offset by (i) the decrease in compensation income of RMB91.3 million due to the decrease in customer defaults, and (ii) the decrease in interest income of RMB87.6 million due to the decrease in interest rates.

The trading of standard warehouse receipts for the purpose of generating profits from short-term price fluctuations formed part of the spot component of our profit-driven basis trading. In 2023 and the five months ended May 31, 2026, we recorded net gains from standard warehouse receipt trading of RMB9.3 million and RMB10.3 million, respectively, representing 0.6% and 2.2% of our total other income and gains in the same periods.

Selling and Distribution Costs

Our selling and distribution costs primarily consist of (i) employee compensation, representing salaries, welfare and bonuses for our sales personnel, (ii) commissions, representing fees paid to external intermediaries for business referrals and transaction facilitation, (iii) consulting service expenses, representing brokerage fees paid to inter-dealer brokers in connection with our futures trading activities, (iv) rental and utilities expenses (v) travel and transportation expenses, and (vi) depreciation and amortization.

The following table sets forth a breakdown of our selling and distribution costs, both in absolute amounts and as percentages of our total selling and distribution costs, 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee compensation	795,028	83.1	811,286	79.9	522,847	68.5	174,177	65.9	173,558	69.4
Commissions	37,707	3.9	41,251	4.1	74,318	9.7	37,754	14.3	21,451	8.6
Consulting service expenses	40,750	4.3	58,469	5.7	44,884	5.9	6,574	2.5	13,413	5.4
Rental and utilities expenses	11,694	1.2	20,989	2.1	26,417	3.5	10,945	4.1	13,184	5.3
Travel and transportation expenses	20,879	2.2	22,027	2.2	26,874	3.5	8,037	3.0	8,941	3.6
Depreciation and amortization	18,061	1.9	18,696	1.8	17,164	2.2	6,382	2.4	5,577	2.2
Others[(1)]	32,933	3.4	42,665	4.2	51,063	6.7	20,500	7.8	13,905	5.5
Total	**957,052**	**100.0**	**1,015,383**	**100.0**	**763,567**	**100.0**	**264,369**	**100.0**	**250,029**	**100.0**

Note:

(1) Others primarily include business development expenses, insurance expenses, and office expenses.

Comparison between the five months ended May 31, 2026 and 2025. Our selling and distribution costs decreased by 5.4% from RMB264.4 million in the five months ended May 31, 2025 to RMB250.0 million during the same period in 2026, primarily due to a decrease in commissions of RMB16.3 million reflecting reduced fees paid to external intermediaries for business referrals and transaction facilitation, which was in line with our reduced sales of steel to overseas markets.

Comparison between 2025 and 2024. Our selling and distribution costs decreased by 24.8% from RMB1,015.4 million in 2024 to RMB763.6 million in 2025, primarily due to the decrease in employee compensation of RMB288.4 million as a result of the streamlining of our sales team, partially offset by the increase in commissions of RMB33.1 million in connection with business referral for transactions facilitated by external intermediaries, which was in line with our business expansion in overseas market.

Comparison between 2024 and 2023. Our selling and distribution costs increased by 6.1% from RMB957.1 million in 2023 to RMB1,015.4 million in 2024, primarily due to (i) the increase in consulting service expenses of RMB17.7 million, attributable to brokerage fees paid to inter-dealer brokers in connection with our futures trading activities, and (ii) the increase in employee compensation of RMB16.3 million, primarily attributable to higher performance-based bonuses granted to sales personnel as a result of improved operating performance.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee compensation, representing salaries, welfare and bonuses for our administrative staff, (ii) taxes and surcharges, (iii) bank service charges, (iv) consulting service expenses, and (v) depreciation and amortization.

The following table sets forth a breakdown of our administrative expenses, both in absolute amounts and as percentages of our total administrative expenses, 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee compensation	213,956	32.3	190,770	28.8	229,238	31.7	96,508	32.3	107,037	32.9
Taxes and surcharges	186,164	28.1	201,913	30.5	212,943	29.4	84,952	28.4	78,783	24.2
Bank service charges	113,426	17.1	130,689	19.7	133,760	18.5	61,369	20.5	58,115	17.8
Consulting service expenses	39,981	6.0	37,297	5.6	50,529	7.0	14,475	4.8	25,387	7.8
Depreciation and amortization	37,292	5.6	32,462	4.9	35,916	5.0	15,842	5.3	28,631	8.8
Others[(1)]	72,185	10.9	69,679	10.5	61,604	8.4	25,541	8.6	27,827	8.5
Total	**663,004**	**100.0**	**662,810**	**100.0**	**723,990**	**100.0**	**298,687**	**100.0**	**325,780**	**100.0**

Note:

(1) Others primarily include labor expenses, travel and transportation expenses, and office operating expenses.

Comparison between the five months ended May 31, 2026 and 2025. Our administrative expenses increased by 9.1% from RMB298.7 million in the five months ended May 31, 2025 to RMB325.8 million during the same period in 2026, primarily due to (i) an increase in depreciation and amortization of RMB12.8 million as a result of depreciation of the office buildings we purchased in 2025, (ii) an increase in consulting service expenses of RMB10.9 million in connection the [**REDACTED**].

Comparison between 2025 and 2024. Our administrative expenses increased by 9.2% from RMB662.8 million in 2024 to RMB724.0 million in 2025, primarily due to (i) an increase in employee compensation of RMB38.5 million, which was primarily attributable to team expansion and introduction of talents, and (ii) an increase in consulting service expenses of RMB13.2 million, primarily resulting from accrual of [**REDACTED**].

Comparison between 2024 and 2023. Our administrative expenses remained relatively stable at RMB663.0 million in 2023 and RMB662.8 million in 2024.

Other Expenses

Our other expenses primarily consist of (i) net loss on standard warehouse receipt trading, primarily representing net trading losses on standard warehouse receipts held for trading purposes on futures exchange platforms, (ii) net foreign exchange losses, (iii) loss on disposal of property, plant and equipment and intangible assets, (iv) net loss on derivative financial instruments not designated for hedge accounting, (v) net loss on changes in fair value of financial assets measured at fair value through profit or loss, and (vi) net loss on fair value hedge of commodity firm commitments and inventories, primarily representing net loss under hedge accounting primarily attributable to changes in basis levels.

The following table sets out a breakdown of our other expenses, both in absolute amounts and as percentages of our total other expenses, 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Net loss on standard warehouse receipt trading[(1)]	–	–	45,121	13.2	277,978	45.5	245,878	30.3	–	–
Net loss on fair value hedge of commodity firm commitments and inventories	9,107	22.2	178,557	52.2	–	–	338,631	41.7	–	–
Foreign exchange losses, net	–	–	–	–	170,512	27.9	110,832	13.6	151,500	16.2
Loss on disposal of property, plant and equipment and intangible assets	–	–	85,170	24.9	119,397	19.5	107,408	13.2	–	–
Compensation expense[(2)]	29,888	72.8	15,175	4.4	23,352	3.8	8,555	1.1	7,393	0.8
Loss on disposal of unlisted equity investments measured at fair value through profit or loss	688	1.7	7,012	2.1	–	–	–	–	–	–
Net loss on derivative financial instruments not designated for hedge accounting	–	–	–	–	–	–	–	–	583,595	62.6

	Year Ended December 31,						Five Months Ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Net loss on changes in fair value of unlisted equity investments measured at fair value through profit or loss	–	–	–	–	–	–	–	–	9,428	1.0
Net loss on changes in fair value of financial assets measured at fair value through profit or loss	–	–	–	–	–	–	–	–	180,433	19.4
Others	1,395	3.4	10,742	3.1	19,848	3.3	953	0.1	45	0.0
Total	**41,078**	**100.0**	**341,777**	**100.0**	**611,087**	**100.0**	**812,257**	**100.0**	**932,394**	**100.0**

Notes:

(1) Standard warehouse receipt trading primarily involved spot commodities such as PTA, ethylene glycol, polyvinyl chloride and lithium carbonate.

(2) Primarily consisted of fees paid by our Group to customers for breach of contracts. Such breaches generally arose from the failure of our logistics service providers or spot commodity suppliers to perform their contractual obligations, which in turn resulted in our failure to perform the relevant contractual obligations with our customers within the agreed timeline or in accordance with the agreed terms. In such circumstances, we would seek compensation from the relevant logistics service providers or spot commodity suppliers. To prevent the recurrence of compensation expenses, we have implemented a comprehensive contract management system with standardized contract templates, multi-level approval procedures, performance monitoring and formal change control mechanisms to strengthen oversight of contract execution and mitigate potential violation risks.

Comparison between the five months ended May 31, 2026 and 2025. Our other expenses increased by 14.8% from RMB812.3 million in the five months ended May 31, 2025 to RMB932.4 million during the same period in 2026, primarily because we incurred net loss on derivative financial instruments not designated for hedge accounting of RMB583.6 million, which was resulted from net loss on derivative financial instruments of certain chemicals, such as lithium carbonate.

Comparison between 2025 and 2024. Our other expenses increased significantly from RMB341.8 million in 2024 to RMB611.1 million in 2025, primarily due to (i) the increase in net loss on standard warehouse receipt trading of RMB232.9 million resulting from the lower trading prices and higher trading volumes of certain spot commodities such as PTA and ethylene glycol, which was in line with the market dynamics, and (ii) the increase in net foreign exchange losses of RMB170.5 million.

Comparison between 2024 and 2023. Our other expenses increased significantly from RMB41.1 million in 2023 to RMB341.8 million in 2024, primarily due to (i) the increase in net loss on fair value hedge of commodity firm commitments and inventories of RMB169.5 million related to unfavorable changes in basis levels, as futures prices increased at a lower pace than spot prices, and (ii) the increase in loss on disposal of property, plant and equipment and intangible assets of RMB85.2 million.

In 2024 and 2025, we recorded net loss on standard warehouse receipt trading of RMB45.1 million and RMB278.0 million, respectively, representing 13.2% and 45.5% of our total other expenses in the same periods.

Finance Costs

Our finance costs primarily consist of (i) interest on bank and other borrowings, and (ii) interest on lease liabilities. The following table sets forth details of our finance costs, both in absolute amounts and as percentages of our total finance costs, 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Interest on bank and other borrowings	909,466	97.3	916,326	97.7	735,398	97.6	331,674	99.5	350,235	99.7
Interest on lease liabilities	10,738	1.1	5,851	0.6	3,361	0.4	1,786	0.5	920	0.3
Others	14,729	1.6	15,309	1.6	14,879	2.0	–	–	–	–
Total	**934,933**	**100.0**	**937,486**	**100.0**	**753,638**	**100.0**	**333,460**	**100.0**	**351,155**	**100.0**

Comparison between the five months ended May 31, 2026 and 2025. Our finance costs increased by 5.3% from RMB333.5 million in the five months ended May 31, 2025 to RMB351.2 million during the same period in 2026, primarily due to an increase in interest on bank and other borrowings in connection with our increasing financing activities.

Comparison between 2025 and 2024. Our finance costs decreased by 19.6% from RMB937.5 million in 2024 to RMB753.6 million in 2025, primarily due to the decrease in interest on bank and other borrowings resulting from the decreased interest rate on bank and other borrowings.

Comparison between 2024 and 2023. Our finance costs remained relatively stable at RMB934.9 million in 2023 and RMB937.5 million in 2024.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal primarily consist of impairment losses on trade receivables. Our impairment losses under expected credit loss model, net of reversal, were reversal of impairment losses of RMB71.3 million, reversal of impairment losses of RMB143.2 million and impairment losses of RMB159.7 million in 2023, 2024 and 2025, respectively. Our impairment losses under expected credit loss model, net reversal were reversal of impairment losses of RMB4.2 million and impairment losses of RMB54.4 million in the five months ended May 31, 2025 and 2026, respectively.

Comparison between the five months ended May 31, 2026 and 2025. Our reversal of impairment losses of RMB4.2 million in the five months ended May 31, 2025 changed to impairment losses of RMB54.4 million during the same period in 2026, primarily due to changes in aging profile.

Comparison between 2025 and 2024. Our reversal of impairment losses of RMB143.2 million in 2024 changed to impairment losses of RMB159.7 million in 2025, primarily due to changes in aging profile.

Comparison between 2024 and 2023. Our reversal of impairment loss increased significantly from RMB71.3 million in 2023 to RMB143.2 million in 2024, primarily due to the increased proportion of trade receivables settled through letters of credit with less credit risk in 2024.

Share of Profits of Associates

Our share of profits of associates primarily consists of our share of net assets in associates.

Our share of profits of associates decreased by 19.8% from RMB80.3 million in 2023 to RMB64.4 million in 2024, and decreased by 18.0% from RMB64.4 million in 2024 to RMB52.8 million in 2025, primarily due to the disposal of our interests in certain associates. Our share of profits of associates increased by 151.0% from RMB18.5 million in the five months ended May 31, 2025 to RMB46.3 million during the same period in 2026, primarily due to profit contributions from our existing associates and the recognition of our share of profits from newly invested associates.

Income Tax

Our income tax primarily consists of (i) current tax, and (ii) deferred tax. Our effective tax rate (calculated as income tax expense divided by profit before tax) was 27.7%, 13.9%, 20.4%, 17.5% and 24.5% in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

The following table sets forth a breakdown of our income tax expense 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*	*%*	*RMB'000*	*%*
							(Unaudited)			
Current — Chinese Mainland	201,375	51.0	538,707	233.2	287,431	78.2	215,674	193.4	144,306	80.4
Current — Elsewhere	77,176	19.6	163,439	70.8	93,751	25.5	19,696	17.7	109,507	61.0
Deferred	116,109	29.4	(471,181)	(204.0)	(13,647)	(3.7)	(123,835)	(111.0)	(74,331)	(41.4)
Total tax charge for the year/period	**394,660**	**100.0**	**230,965**	**100.0**	**367,535**	**100.0**	**111,535**	**100.0**	**179,482**	**100.0**

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our members are domiciled and operate. The applicable income tax rates vary across different jurisdictions. See Note 11 to the Accountants' Report in Appendix I to this document for more details.

Comparison between the five months ended May 31, 2026 and 2025. Our income tax expense increased by 60.9% from RMB111.5 million in the five months ended May 31, 2025 to RMB179.5 million during the same period in 2026, primarily due to (i) an increase in profit before tax, and (ii) an increase in the tax rates of certain subsidiaries.

Comparison between 2025 and 2024. Our income tax expense increased by 59.1% from RMB231.0 million in 2024 to RMB367.5 million in 2025, primarily due to (i) an increase in profit before tax, and (ii) an increase in the tax rates of certain subsidiaries.

Comparison between 2024 and 2023. Our income tax expense decreased by 41.5% from RMB394.7 million in 2023 to RMB231.0 million in 2024, primarily due to the decrease in deferred income tax expenses of RMB587.3 million, resulting from the reversal of tax reserves previously recognized on overseas earnings, following the distribution of overseas dividends.

Profit For the Year/Period

As a result of the foregoing, we recorded profit of RMB1,032.3 million, RMB1,431.0 million, RMB1,434.6 million, RMB524.4 million and RMB554.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically financed our operations mainly through cash generated from our operating activities and financing activities. After the [**REDACTED**], we intend to finance our future capital requirements through debt financing activities, cash generated from our business operations as well as the net [**REDACTED**] from the [**REDACTED**]. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Working Capital Sufficiency

Taking into account (i) the financial resources available to us, including cash and cash equivalents and unutilized banking facilities, (ii) portion of the estimated net [**REDACTED**] from the [**REDACTED**] expected to be used for working capital and general corporate purposes, our Directors believe that we have sufficient working capital for our present requirements, that is, for at least 12 months following the date of this document.

Cash Flows Analysis

The following table sets forth selected cash flow statement information 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*
Net cash flows generated from/(used in) operating activities	117,541	(1,876,379)	(4,821,727)	2,518,796	(2,268,476)
Net cash flows used in investing activities	(60,956)	(4,759)	(1,081,121)	(1,636,136)	(3,170,101)
Net cash flows generated from financing activities	335,424	2,916,333	5,305,094	3,515,644	8,411,627
Net increase/(decrease) in cash and cash equivalents	**392,009**	**1,035,195**	**(597,754)**	**4,398,304**	**2,973,050**
Net foreign exchange difference	53,945	32,697	(182,627)	(112,006)	(151,500)
Cash and cash equivalents at beginning of year/period	2,712,020	3,157,974	4,225,866	4,225,866	3,445,485
Cash and cash equivalents at end of year/period	**3,157,974**	**4,225,866**	**3,445,485**	**8,512,164**	**6,267,035**

Operating Activities

In the five months ended May 31, 2026, we had net cash flows used in operating activities of RMB2,268.5 million, which primarily consisted of profit before tax of RMB733.6 million, as adjusted for (i) unrealized gain or loss from derivative financial instruments not designated for hedge accounting of RMB740.9 million, and (ii) unrealized gain or loss on fair value hedge of commodity firm commitments and inventories of RMB123.2 million, partially offset by (i) provision for impairment of inventories of RMB477.2 million, and (ii) interest expense of RMB351.2 million. The amount was further adjusted by income tax paid of RMB254.9 million, and changes in working capital, primarily including (a) increases in inventories of RMB3,413.6 million, and (b) an increase in prepayments, other receivables and other assets of RMB2,892.7 million, partially offset by (a) an increase in contract liabilities of RMB3,412.5 million, and (b) an increase in trade and notes payables of RMB1,109.1 million.

In 2025, we had net cash flows used in operating activities of RMB4,821.7 million, which primarily consisted of profit before tax of RMB1,802.1 million, adjusted for (i) unrealized gain or loss from derivative financial instruments not designated for hedge accounting of RMB1,239.5 million, and (ii) gain from financial assets at fair value through profit or loss of RMB313.1 million. The amount was further adjusted by income tax paid of RMB651.7 million, and changes in working capital, primarily including (a) increase in prepayments, other receivables and other assets of RMB4,341.0 million, (b) increase in inventories of RMB2,427.7 million. The foregoing changes were partially offset by (a) increase in contract liabilities of RMB1,185.7 million and (b) increase in other payables, accruals and other current liabilities of RMB237.6 million.

In 2024, we had net cash flows used in operating activities of RMB1,876.4 million. This primarily consisted of profit before tax of RMB1,662.0 million, adjusted for (i) reversal of impairment of trade and notes receivables of RMB194.0 million, and (ii) gain from financial assets at fair value through profit or loss of RMB89.5 million, partially offset by (i) interest expense of RMB937.5 million, and (ii) unrealized gain or loss on fair value hedge of commodity firm commitments and inventories of RMB800.8 million. The amount was further adjusted by income tax paid of RMB490.7 million, and changes in working capital, primarily including (a) increase in inventories of RMB4,272.9 million, (b) increase in prepayments, other receivables and other assets of RMB1,680.5 million, partially offset by (a) increase in contract liabilities of RMB799.1 million, (b) increase in other payables, accruals and other current liabilities of RMB260.8 million.

In 2023, we had net cash flows generated from operating activities of RMB117.5 million. This primarily consisted of profit before tax of RMB1,427.0 million, adjusted for (i) interest expense of RMB934.9 million, and (ii) provision for impairment of inventories of RMB488.3 million, partially offset by unrealized gain from derivative financial instruments of RMB1,337.5 million. The amount was further adjusted by income tax paid of RMB704.8 million, and changes in working capital, primarily including (a) decrease in trade and notes receivables of RMB2,715.9 million, (b) decrease in prepayments, other receivables and other assets of RMB1,796.2 million, partially offset by (a) increase in inventories of RMB1,725.0 million, and (b) decrease in trade and notes payables of RMB1,599.4 million.

Our ability to improve our net operating cash flow is largely depending on our ability to improve profitability. In this regard, we plan to improve our net operating cash outflow positions by (i) effectively attracting and retaining our customers to drive our revenue growth and profitability, (ii) continuing to create value for customers to explore additional business opportunities that help us scale up our revenues and to achieve profitability, and (iii) effectively managing our cost and expenses by improving our operational efficiency. With our improving profitability, we also expect our operating cash flow to improve concurrently. Moreover, we plan to enhance our working capital management efficiency to improve our net operating cash outflow positions. We plan to enhance our management of trade receivables by continually monitoring the credit profiles and operating and financial conditions of our customers and proactively following up

on our customers to ensure their payments as scheduled. We plan to increase the focus on trade receivable collection when evaluating the performance of our sales team. In addition, we plan to negotiate for shorter credit terms with our customers.

Investing Activities

In the five months ended May 31, 2026, we had net cash flows used in investing activities amounted to RMB3,170.1 million, which consisted primarily of (i) purchases of financial assets at fair value through profit or loss of RMB3,467.3 million, and (ii) purchases of shareholdings in associates of RMB255.0 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB634.0 million.

In 2025, our net cash flows used in investing activities amounted to RMB1,081.1 million, which consisted primarily of (i) purchases of financial assets at fair value through profit or loss of RMB839.2 million, (ii) purchases of items of property, plant and equipment, right-of-use assets and intangible assets of RMB885.0 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB341.0 million.

In 2024, our net cash flows used in investing activities amounted to RMB4.8 million, which consisted primarily of (i) purchases of financial assets at fair value through profit or loss of RMB169.9 million, (ii) purchases of shareholdings in associates of RMB133.2 million, and (iii) purchases of items of property, plant and equipment, right-of-use assets and intangible assets of RMB60.1 million, partially offset by (i) proceeds from disposals of financial assets at fair value through profit or loss of RMB155.3 million, (ii) dividend received from associates of RMB87.1 million.

In 2023, our net cash flows used in investing activities amounted to RMB61.0 million, which consisted primarily of (i) purchases of financial assets at fair value through profit or loss of RMB211.2 million, (ii) purchases of shareholdings in associates of RMB106.5 million, and partially offset by (i) proceeds from disposal of property, plant and equipment and intangible assets of RMB150.0 million, (ii) proceeds from disposals of financial assets at fair value through profit or loss of RMB118.1 million.

Financing Activities

In the five months ended May 31, 2026, our net cash flows generated from financing activities amounted to RMB8,411.6 million, which consisted primarily of (i) proceeds from interest-bearing loans and other borrowings of RMB34,710.8 million, and (ii) maturity in pledged short-term deposits of RMB5,068.7 million, partially offset by (i) repayment of interest-bearing loans and other borrowings of RMB25,531.6 million, and (ii) placement in pledged short-term deposits of RMB5,669.4 million.

In 2025, our net cash flows generated from financing activities amounted to RMB5,305.1 million, which consisted primarily of (i) proceeds from interest-bearing loans and other borrowings of RMB62,603.0 million, and (ii) maturity in pledged short-term deposits of RMB11,625.3 million, partially offset by (i) repayment of interest-bearing loans and other borrowings of RMB58,713.9 million, and (ii) placement in pledged short-term deposits of RMB10,621.9 million.

In 2024, our net cash flows generated from financing activities amounted to RMB2,916.3 million, which consisted primarily of (i) proceeds from interest-bearing loans and other borrowings of RMB64,175.9 million, (ii) loan from related parties of RMB12,740.0 million, and (iii) maturity in pledged short-term deposits of RMB8,343.4 million, partially offset by (i) repayment of interest-bearing loans and other borrowings of RMB62,015.3 million and (ii) repayment of loan from related parties of RMB12,740.0 million.

In 2023, our net cash flows generated from financing activities amounted to RMB335.4 million, which consisted primarily of (i) proceeds from interest-bearing loans and other borrowings of RMB65,370.3 million, (ii) loan from related parties of RMB10,350.0 million, and (iii) maturity in pledged short-term deposits of RMB5,104.5 million, partially offset by (i) repayment of interest-bearing loans and other borrowings of RMB61,068.0 million and (ii) repayment of loan from related parties of RMB10,350.0 million.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,			As of May 31,	As of June 12,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current assets					
Inventories	11,441,263	16,149,044	18,262,420	20,962,910	23,197,574
Trade and notes receivables	5,142,755	6,399,198	5,584,825	6,390,255	5,911,968
Prepayments, other receivables and other assets	13,748,287	15,469,602	20,800,497	24,000,703	25,083,847
Financial assets at fair value through profit or loss	261,996	411,573	1,168,397	3,989,723	3,999,723
Restricted cash	40,152	27,760	26,978	36,748	36,748
Pledged short-term deposits	6,304,581	4,502,287	3,496,749	4,674,729	4,558,028
Derivative financial instruments	1,072,081	890,998	724,360	770,059	807,865
Cash and cash equivalents	3,157,974	4,225,866	3,445,485	6,267,035	4,853,441
Total current assets	**41,169,089**	**48,076,328**	**53,509,711**	**67,092,162**	**68,449,194**
Current liabilities					
Lease liabilities	78,546	31,879	26,312	22,389	18,827
Trade and notes payables	7,218,507	7,784,394	6,928,439	8,069,182	7,384,365
Other payables, accruals and other current liabilities	3,898,505	5,489,018	4,173,413	4,687,879	5,114,991
Interest-bearing loans and other borrowings	19,010,339	21,687,052	25,638,321	34,824,584	31,194,864
Derivative financial instruments	924,143	682,283	1,573,874	444,239	451,156
Contract liabilities	4,954,060	6,312,779	7,498,509	10,917,530	16,065,664
Tax payable	230,494	510,276	278,416	247,253	258,808
Total current liabilities	**36,314,594**	**42,497,681**	**46,117,284**	**59,213,056**	**60,488,675**
Net Current Assets	**4,854,495**	**5,578,647**	**7,392,427**	**7,879,106**	**7,960,519**

Our net current assets increased from RMB7,879.1 million as of May 31, 2026 to RMB7,960.5 million as of June 12, 2026, primarily due to (i) the increase in inventories of RMB2,234.7 million and (ii) the increase in prepayments, other receivables and other assets of RMB1,083.1 million. Such increase in our current assets was partially offset by an increase in contract liabilities of RMB 5,148.1 million.

Our net current assets increased from RMB7,392.4 million as of December 31, 2025 to RMB7,879.1 million as of May 31, 2026, primarily due to (i) the increase in prepayments, other receivables and other assets of RMB3,200.2 million, and (ii) the increase in cash and cash equivalents of RMB2,821.6 million. Such increase in our current assets was partially offset by an increase in contract liabilities of RMB3,419.0 million.

Our net current assets increased from RMB5,578.6 million as of December 31, 2024 to RMB7,392.4 million as of December 31, 2025, primarily due to (i) the increase in prepayments, other receivables and other assets of RMB5,330.9 million, resulting from our expanded procurement of commodities to support our business expansion, (ii) the increase in inventories of RMB2,113.4 million in line with our business expansion, and (iii) the increase in financial assets at fair value through profit or loss of RMB756.8 million, partially offset by (i) the increase in contract liabilities of RMB1,185.7 million, resulting from the increase in advances from customers in line with our business expansion, and (ii) the increase in interest-bearing loans and other borrowings of RMB3,951.3 million, resulting from debt financing.

Our net current assets increased from RMB4,854.5 million as of December 31, 2023 to RMB5,578.6 million as of December 31, 2024, primarily due to (i) the increase in inventories of RMB4,707.8 million in line with our business expansion, (ii) the increase in prepayments, other receivables and other assets of RMB1,721.3 million, resulting from our expanded procurement of commodities to support our business expansion, partially offset by (i) the increase in interest-bearing loans and other borrowings of RMB2,676.7 million, resulting from debt financing, and (ii) the decrease in pledged short-term deposits of RMB1,802.3 million, resulting from the decrease in deposits for bank acceptance notes.

Inventories

Our inventories primarily consist of finished goods, mainly representing physical commodities procured. The following table sets forth a breakdown of our inventories by commodity type as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ferrous metals and steelmaking raw materials				
– Steel	3,922,312	4,498,324	4,703,681	6,084,766
– Iron ore	2,353,156	3,265,905	4,534,998	3,194,782
– Other raw materials	230,077	1,828,677	2,257,792	2,872,174
Subtotal	**6,505,545**	**9,592,906**	**11,496,471**	**12,151,722**
Chemicals				
– Polyester	74,613	159,706	401,350	1,287,790
– Aromatics	160,830	67,330	118,517	179,396
– Rubber	1,394,824	2,014,860	1,106,876	1,727,792
– Other chemicals	1,736,022	3,307,869	3,591,607	4,123,708
Subtotal	**3,366,289**	**5,549,765**	**5,218,350**	**7,318,686**
Non-ferrous metals	**661,160**	**366,919**	**835,863**	**917,498**
Other commodities[(1)]	**908,269**	**639,454**	**711,736**	**575,004**
Total/Overall	**11,441,263**	**16,149,044**	**18,262,420**	**20,962,910**

Our inventories increased by 41.1% from RMB11,441.3 million as of December 31, 2023 to RMB16,149.0 million as of December 31, 2024, increased by 13.1% to RMB18,262.4 million as of December 31, 2025, and further increased by 14.8% to RMB20,962.9 million as of May 31, 2026, primarily due to (i) the increase in finished goods in line with the expansion of our business scale, and (ii) our strategic stock-up of finished goods as part of the profit-driven basis trading.

During the Track Record Period, the commodities that we typically held without relevant sales contracts primarily included steel, iron ore and rubber. The average inventory level of such commodities remained over RMB16.7 billion in 2023, 2024, 2025 and the five months ended May 31, 2026. Although the inventory level of commodities without sales contracts during the Track Record Period was relatively high, we generally utilized derivative financial instruments to hedge price fluctuation risks associated with such inventories and manage the price exposure.

The following table sets forth an aging analysis of our inventories as of the date indicated:

	As of December 31,						As of May 31,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Within one year	10,952,721	95.7	15,798,840	97.8	17,968,046	97.7	20,594,137	98.2
Over one year	488,542	4.3	350,204	2.2	294,374	2.3	368,773	1.8
Total	**11,441,263**	**100.0**	**16,149,044**	**100.0**	**18,262,420**	**100.0**	**20,962,910**	**100.0**

The following table sets forth our inventory turnover days for the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,
	2023	2024	2025	2026
Inventory turnover days[(1)]	16	19	23	27

Note:

(1) Inventory turnover days were calculated based on the average of opening and closing balance of inventories for the relevant year, divided by cost of sales for the same year and multiplied by 365 days for 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our inventory turnover days increased from 16 days in 2023 to 19 days in 2024, increased to 23 days in 2025, and further increased to 27 days in the five months ended May 31, 2026, primarily due to the increases in our inventory balances in line with our business expansion.

As of June 12, 2026, RMB8,083.0 million, or 36.5% of our total inventories as of May 31, 2026, had been utilized.

Trade and Notes Receivables

Our trade and notes receivables primarily consist of (i) trade receivables, mainly representing outstanding amounts due from customers, and (ii) notes receivables, mainly representing bank acceptance notes and commercial acceptance notes received from customers.

The following table sets forth our trade and notes receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	5,530,515	6,478,528	5,533,781	5,501,440
Notes receivable	182,035	310,000	512,105	1,400,558
Subtotal	**5,712,550**	**6,788,528**	**6,045,886**	**6,901,998**

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less: impairment of trade receivables	(568,474)	(381,544)	(459,177)	(509,588)
Less: impairment of notes receivable	(1,321)	(7,786)	(1,884)	(2,155)
Net carrying amount	**5,142,755**	**6,399,198**	**5,584,825**	**6,390,255**

Our trade and notes receivables increased by 24.4% from RMB5,142.8 million as of December 31, 2023 to RMB6,399.2 million as of December 31, 2024, primarily due to the increase in the balance of trade receivables in line with our business expansion and revenue growth. Our trade and notes receivables decreased by 12.7% from RMB6,399.2 million as of December 31, 2024 to RMB5,584.8 million as of December 31, 2025, primarily due to our enhanced collection efforts improved receivable management measures. Our trade and notes receivables increased by 14.4% from RMB5,584.8 million as of December 31, 2025 to RMB6,390.3 million as of May 31, 2026, primarily due to an increase in notes receivables of RMB888.2 million driven by the increased bank acceptance notes and commercial acceptance notes received from customers.

Our impairment of trade receivables decreased by 32.9% from RMB568.5 million as of December 31, 2023 to RMB381.5 million as of December 31, 2024, primarily resulting from an increased proportion of trade receivables with a lower level of expected credit loss rate. Our impairment of trade receivables increased by 20.4% from RMB381.5 million in 2024 to RMB459.2 million as of December 31, 2025, primarily due to changes in the aging profile. Our impairment of trade receivables increased by 11.0% from RMB459.2 million as of December 31, 2025 to RMB509.6 million as of May 31, 2026, primarily due to changes in the aging profile.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated based on the invoice date and net of loss allowance:

	As of December 31,						As of May 31,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Within one year	4,590,119	92.5	5,704,136	93.6	4,697,916	92.6	4,663,360	93.4
One to two years	346,044	7.0	289,789	4.8	184,424	3.6	143,442	2.9
Two to three years	25,878	0.5	94,701	1.5	132,727	2.6	112,773	2.3
Over three years	–	–	8,358	0.1	59,537	1.2	72,277	1.4
Total	**4,962,041**	**100.0**	**6,096,984**	**100.0**	**5,074,604**	**100.0**	**4,991,852**	**100.0**

The following table sets forth our trade receivable turnover days during the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,
	2023	2024	2025	2026
Trade receivable turnover days[(1)]	7	8	8	8

Note:

(1) Trade receivable turnover days were calculated based on the average of opening and closing balance of trade receivables for the relevant year, divided by the revenue for the same year and multiplied by 365 days for 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our trade receivable turnover days remained relatively stable during the Track Record Period. We did not experience any significant losses associated with our trade and notes receivables and the fluctuations in the amount of our trade and notes receivables did not have any material adverse impact on our liquidity or cash flows during the Track Record Period.

As of June 12, 2026, RMB1,460.4 million, or 26.5% of our trade receivables as of May 31, 2026, had been settled.

Prepayments, Other Receivables and Other Assets

Our current prepayments, other receivables and other assets primarily consist of (i) prepayments and prepaid expenses to suppliers, (ii) deposits and other receivables relating to futures contracts, (iii) standard warehouse receipt that evidences title to exchange deliverable physical commodities, (iv) deductible input value-added tax and export tax rebate, (v) corporate income tax recoverable, (vi) dividends receivable, and (vii) other current assets — fair value adjustment on hedged items.

The following table sets forth our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Prepayments and prepaid expenses	7,768,069	8,945,457	10,279,674	13,148,047
Deposits and other receivables	4,503,682	4,491,037	6,542,844	5,769,422
Standard warehouse receipt	244,725	374,023	1,438,538	2,602,801
Deductible input value-added tax and export tax rebate	1,032,266	1,590,692	1,732,100	1,426,032
Corporate income tax recoverable	12,413	20,726	59,338	29,243
Dividends receivable	20,400	–	2,532	–
Other current assets – fair value adjustment on hedged items	57,109	8,169	738,747	1,022,488
Others	121,428	102,090	69,300	68,960
Impairment allowance	(11,805)	(62,592)	(62,576)	(66,290)
Subtotal	**13,748,287**	**15,469,602**	**20,800,497**	**24,000,703**
Non-current				
Prepayments for non-current assets	821	2,823	–	–
Subtotal	**821**	**2,823**	**–**	**–**
Total	**13,749,108**	**15,472,425**	**20,800,497**	**24,000,703**

Our current prepayments, other receivables and other assets increased by 12.5% from RMB13,748.3 million as of December 31, 2023 to RMB15,469.6 million as of December 31, 2024, primarily due to (i) the increase in prepayments and prepaid expenses in line with our expanded procurement of commodities to support our business expansion, and (ii) the increase in deductible input value-added tax and export tax rebate related to increased procurement of commodities in line with our business growth. Our current prepayments, other receivables and other assets increased by 34.5% from RMB15,469.6 million as of December 31, 2024 to RMB20,800.5 million as of December 31, 2025, primarily due to (i) the increase in prepayments and prepaid expenses due to increased procurement activities and accelerated year-end settlements in the prior year, and (ii) the increase in deposits and other receivables as a result of higher margin deposits arising from our futures hedging positions. Our current prepayments, other receivables and other assets increased by 15.4% from RMB20,800.5 million as of December 31, 2025 to RMB24,000.7 million as of May 31, 2026, primarily due to an increase in prepayments and prepaid expenses of RMB2,868.4 million in line with the growth of our commodity trading business.

As of June 12, 2026, RMB5,803.3 million, or 24.1% of our prepayments, other receivables and other assets as of May 31, 2026, had been settled.

Financial Assets at Fair Value Through Profit or Loss

The following table sets forth our financial assets at fair value through profit or loss as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current asset				
Unlisted equity investments, at fair value	214,341	189,167	158,815	149,387
Current asset				
Wealth management products	261,996	411,573	875,480	3,658,963
Listed equity investments, at fair value	–	–	292,917	330,760
Subtotal	**261,996**	**411,573**	**1,168,397**	**3,989,723**
Total	**476,337**	**600,740**	**1,327,212**	**4,139,110**

Our financial assets at fair value through profit or loss increased during the Track Record Period, primarily due to our increased investment in wealth management products. Our wealth management products primarily consisted of cash management instruments characterized by low volatility and high liquidity, and we had not incurred any material loss during the Track Record Period.

We have established a dedicated investment team responsible for managing our investments in financial assets at fair value through profit or loss. Our investment team has an average of 15 years of experience and possesses professional expertise in treasury management and the management of investments in wealth management products. Major investment decisions are subject to review and approval by our Board of Directors.

In particular, our investment manager solicits quotations for wealth management products from banks and financial institutions and formulates investment plans for cash allocation in accordance with our treasury management policy. Such investment plans are executed by the investment manager upon obtaining approvals from the responsible personnel of our investment department and finance department, as well as our investment decision-making committee. Our investment strategy in relation to wealth management products aims to minimize financial risks by prudently and conservatively aligning the maturities of our investment portfolio with our anticipated operating cash requirements, while generating reasonable investment returns for our shareholders. We primarily invest in wealth management products with relatively low risk, and any proposed investment must not adversely affect our daily operations or business prospects. We make investment decisions in respect of wealth management products on a case-by-case basis after comprehensive evaluation of various factors, including, among others, the macroeconomic environment, prevailing market conditions, and the expected returns and potential risks of the relevant investment.

During the Track Record Period, we had certain financial assets categorized within Level 3 of fair value measurement ("Level 3 Financial Assets"). Our Level 3 Financial Assets include unlisted equity instruments at fair value. In respect of the Level 3 Financial Assets, we took into account the guidance under the "Guidance Note on Directors' Duties in the Context of Valuations in Corporate Transactions" issued by the SFC in May 2017, which is applicable to directors of companies listed on the Stock Exchange. Upon [**REDACTED**], to the extent that an investment in unlisted equity instruments is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements.

Property, Plant and Equipment

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of May 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	266,769	255,259	926,102	920,450
Machinery and equipment	65,502	56,071	42,198	40,518
Motor vehicles	4,104	2,955	3,555	3,901
Computer and office equipment	8,985	7,140	10,184	9,819
Operating lease asset	2,496,349	2,426,789	2,298,724	2,335,359
Leasehold improvements	22,594	16,884	11,166	14,491
Construction in progress	529	–	–	–
Total	**2,864,832**	**2,765,098**	**3,291,929**	**3,324,538**

Our property, plant and equipment decreased by 3.5% from RMB2,864.8 million as of December 31, 2023 to RMB2,765.1 million as of December 31, 2024, and increased by 19.1% to RMB3,291.9 million as of December 31, 2025, primarily due to the increase in office buildings. Our property, plant and equipment remained relatively stable at RMB3,291.9 million as of December 31, 2025 and RMB3,324.5 million as of May 31, 2026.

Right-of-Use Assets

The following table sets forth the breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leasehold land	59,690	58,455	57,214	56,696
Buildings	134,329	95,843	60,996	50,512
Plant and machinery	78,171	–	–	–
Electronic and other devices	4	–	–	–
Total	**272,194**	**154,298**	**118,210**	**107,208**

Our right-of-use assets decreased by 43.3% from RMB272.2 million as of December 31, 2023 to RMB154.3 million as of December 31, 2024, primarily due to (i) the reduction in our plant and machinery leasing following our purchase of the relevant equipment, and (ii) the reduction in our office building leases. Our right-of-use assets decreased by 23.4% from RMB154.3 million as of December 31, 2024 to RMB118.2 million as of December 31, 2025, primarily due to (i) the reduction in our office building leases, and (ii) amortization of our lease assets. Our right-of-use assets decreased by 9.3% from RMB118.2 million as of December 31, 2025 to RMB107.2 million as of May 31, 2026, primarily due to (i) the reduction in our leasehold land and office buildings, and (ii) amortization of our lease assets.

Investments in Associates

Our investments in associates primarily consist of share of net assets in our associates companies. Our investments in associates decreased from RMB831.1 million as of December 31, 2023 to RMB764.5 million as of December 31, 2024, and further decreased to RMB700.3 million as of December 31, 2025, primarily due to the conversion of one associate into a wholly-owned subsidiary. Our investments in associates increased from RMB700.3 million as of December 31, 2025 to RMB969.9 million as of May 31, 2026, primarily due to our capital contributions to newly established associates.

Trade and Notes Payables

Our trade and notes payables primarily consist of payables for commodities. The following table sets forth our trade and notes payables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	804,423	1,644,953	1,582,411	2,418,185
Notes payable	6,414,084	6,139,441	5,346,028	5,650,997
Total	**7,218,507**	**7,784,394**	**6,928,439**	**8,069,182**

Our trade and notes payables increased by 7.8% from RMB7,218.5 million as of December 31, 2023 to RMB7,784.4 million as of December 31, 2024, and decreased by 11.0% to RMB6,928.4 million as of December 31, 2025. Such decline was primarily due to optimization of our settlement and payment structure, which effectively reduced the outstanding balances of trade and notes

payables. Our trade and notes payables increased by 16.5% from RMB6,928.4 million as of December 31, 2025 to RMB8,069.2 million as of May 31, 2026, primarily due to adjustment to our settlement pace and strategy, which was in line with our business growth.

The following table sets forth an aging analysis of our trade and notes payables as of the dates indicated:

	As of December 31,						As of May 31,	
	2023		2024		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Within one year	7,185,425	99.5	7,752,874	99.6	6,883,039	99.3	8,026,214	99.5
Over one year	33,082	0.5	31,520	0.4	45,400	0.7	42,968	0.5
Total	**7,218,507**	**100.0**	**7,784,394**	**100.0**	**6,928,439**	**100.0**	**8,069,182**	**100.0**

The following table sets forth our trade payable turnover days during the periods indicated:

	Year Ended December 31,			Five Months Ended May 31,
	2023	2024	2025	2026
Trade payable turnover days[(1)]	2	2	2	3

Note:

(1) Trade payable turnover days were calculated based on the average of opening and closing balance of trade payables for the relevant year, divided by cost of sales for the same year and multiplied by 365 days for 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our trade payable turnover days remained relatively stable during the Track Record Period. Our Directors confirm that we did not have any material defaults in payment of trade and notes payables during the Track Record Period and up to the Latest Practicable Date.

As of June 12, 2026, approximately RMB800.9 million, or 33.1% of our trade payables as of May 31, 2025, had been settled.

Other Payables, Accruals and Other Current Liabilities

The following table sets forth our other payables, accruals and other current liabilities as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Taxes payable other than corporate income tax	819,265	941,518	1,013,911	1,363,845
Payroll payable	1,291,827	1,410,074	1,021,909	720,155
Other payables	1,574,900	1,435,430	1,539,456	1,574,351
Other current liabilities — fair value adjustment on hedged items	14,972	1,474,042	86,513	419,541

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	94,119	63,429	41,511	50,738
Dividends payable[(1)]	49,000	–	134,319	61,840
Deposits	54,422	164,525	335,794	497,409
Total	**3,898,505**	**5,489,018**	**4,173,413**	**4,687,879**

Note:

(1) Our dividends payable will be settled prior to the [**REDACTED**].

Our other payables, accruals and other current liabilities increased by 40.8% from RMB3,898.5 million as of December 31, 2023, to RMB5,489.0 million as of December 31, 2024, primarily due to the increase of other current liabilities — fair value adjustment on hedged items, which was primarily attributable to the increase in unrealized losses in spot positions due to fair value changes of hedged commodities. Our other payables, accruals and other current liabilities decreased by 24.0% from RMB5,489.0 million as of December 31, 2024 to RMB4,173.4 million as of December 31, 2025, primarily due to (i) the decrease in other current liabilities — fair value adjustment on hedged items of RMB1,387.5 million, resulting from the increased settlements of hedged commodities, which led to the realization of previously unrealized losses on our spot positions, and (ii) the decrease in payroll payables of RMB388.2 million, primarily due to our improved cost-efficiency. Our other payables, accruals and other current liabilities increased by 12.3% from RMB4,173.4 million as of December 31, 2025 to RMB4,687.9 million as of May 31, 2026, primarily due to (i) an increase in taxes payable other than corporate income tax resulting from the increase in contract liabilities arising from advance received from customers, and (ii) an increase in other current liabilities — fair value adjustment on hedged items, which was mainly attributable to unrealized losses on the hedged items under our hedge accounting arrangements. The non-trade balances of our other payables, accruals and other current liabilities with related parties will be settled prior to the [**REDACTED**]. See Note 37(b) to the Accountants' Report in Appendix I to this document for further details.

As of June 12, 2026, approximately RMB514.4 million, or 11.0% of our other payables, accruals and other current liabilities as of May 31, 2026, had been settled.

Contract Liabilities

Our contract liabilities primarily consist of advances received from customers. Our contract liabilities increased by 27.4% from RMB4,954.1 million as of December 31, 2023 to RMB6,312.8 million as of December 31, 2024, increased by 18.8% from RMB6,312.8 million as of December 31, 2024, to RMB7,498.5 million as of December 31, 2025, and further increased by 45.6% from RMB7,498.5 million as of December 31, 2025 to RMB10,917.5 million as of May 31, 2026, primarily due to (i) adjustment to our settlement pace and strategy, and (ii) the increase in advances from customers in line with our business expansion.

As of June 12, 2026, approximately RMB3,031.0 million, or 27.8% of our contract liabilities as of May 31, 2026, had been recognized as revenue.

Derivative Financial Instruments

Our derivative financial instruments primarily consist of commodity futures. During the Track Record Period, we designated certain of our commodity futures as hedging instruments. See Note 26 to the Accountants' Report in Appendix I to this document for further details.

The following table sets forth the net carrying amount of our derivative financial instruments by whether designated as hedging instruments as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments not designated in hedging relationships				
Commodity futures	179,020	(376,801)	(20,928)	826,366
Commodity options	(13,630)	18,242	(51,685)	(17,113)
Foreign currency option contracts	5,481	(133,385)	3,200	–
Foreign currency forward contracts	36,916	24,114	65,560	137,187
Foreign currency futures contracts	(7,833)	12,977	(4,789)	(6,087)
Subtotal	**199,954**	**(454,853)**	**(8,642)**	**940,353**
Derivative financial instruments designated in hedging relationships				
Commodity Futures	(52,016)	663,568	(840,872)	(614,533)
Total	**147,938**	**208,715**	**(849,514)**	**325,820**

The significant fluctuations in the balances of derivative financial instruments designated as hedging instruments and those not designated as hedging instruments during the Track Record Period were primarily due to (i) fair value changes in commodity futures in response to market price movements, and (ii) changes in the trading volume and composition of our commodity futures.

The balances of our derivative financial instruments not designated as hedging instruments fluctuated from net assets of RMB200.0 million as of December 31, 2023 to net liabilities of RMB454.9 million as of December 31, 2024 and RMB8.6 million as of December 31, 2025, primarily due to fair value changes in PTA, methanol and asphalt. The balances of our derivative financial instruments not designated as hedging instruments changed to net assets of RMB940.4 million as of May 31, 2026, primarily due to fair value changes in PTA, ethylene glycol and methanol.

The balances of our derivative financial instruments designated as hedging instruments fluctuated from net liabilities of RMB52.0 million as of December 31, 2023 to net assets of RMB663.6 million as of December 31, 2024, primarily due to fair value gains on designated commodity futures, such as relating to PTA, industrial silicon and coking coal, and changed to net liabilities of RMB840.9 million as of December 31, 2025 and RMB614.5 million as of May 31, 2026, primarily due to fair value losses on designated lithium carbonate futures.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of May 31,	As of June 12,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Interest-bearing loans and other borrowings	19,010,339	21,687,052	25,638,321	34,824,584	31,194,864
Lease liabilities	78,546	31,879	26,312	22,389	18,827
Other payables, accruals and other current liabilities	39,084	111,130	–	–	–
Non-current					
Interest-bearing loans and other borrowings	460,196	488,300	440,000	440,000	440,000
Lease liabilities	86,073	54,773	33,641	23,672	23,846
Total	**19,635,154**	**22,262,004**	**26,138,274**	**35,310,645**	**31,677,537**

Interest-bearing Loans and Other Borrowings

The following table sets forth a breakdown of our interest-bearing loans and other borrowings as of the dates indicated:

	As of December 31,			As of May 31,	As of June 12,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Bank loans – secured	1,301,875	2,320,951	2,432,542	5,065,908	4,756,298
Bank loans – unsecured	372,437	849,752	1,145,000	4,229,837	4,500,495
Discounted notes receivable	8,816,449	8,626,523	8,883,714	10,438,224	8,233,987
Loans of letter of credit	3,697,835	6,374,466	8,977,106	8,887,468	8,558,899
Other borrowings – secured	2,168,705	468,831	607,490	585,743	539,523
Other borrowings – unsecured	2,521,078	3,025,728	3,575,594	5,604,864	4,595,662
Current portion of long-term bank loans	131,960	20,801	16,875	12,540	10,000
Non-current					
Bank loans – secured	460,196	450,000	440,000	440,000	440,000
Other borrowings – secured	–	38,300	–	–	–
Total	**19,470,535**	**22,175,352**	**26,078,321**	**35,264,584**	**31,634,864**

As of December 31, 2023, 2024 and 2025 and May 31, 2026 and June 12, 2026, the effective interest rate of our loans and other borrowings ranged from nil to 6.94%, nil to 6.41%, nil to 7.56%, 0.60% to 5.72% and 0.60% to 5.72%, respectively. Our bank borrowings are denominated in RMB. Certain of guarantees of our bank and other borrowings were secured by the pledge of certain of our property, plant and equipment, and pledged time deposits during the Track Record Period. See Note 27 to the Accountants' Report in Appendix I to this document for more details.

Our Directors confirm that as of the Latest Practicable Date, the agreements of our interest-bearing loans and other borrowings did not contain any covenant that would have a material and adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in of our interest-bearing loans and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. As of June 12, 2026, we had unutilized banking facilities of RMB39.5 billion.

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and May 31, 2026 and June 12, 2026, we had outstanding aggregate unpaid contractual lease payments (present value of lease payments for the remainder of relevant lease terms) of RMB164.6 million, RMB86.7 million, RMB60.0 million, RMB46.1 million and RMB42.7 million, respectively, in relation to the corresponding lease liabilities. See Note 15 to the Accountants' Report in Appendix I to this document for more details.

Save as otherwise disclosed under sections headed "— Indebtedness," as of June 12, 2026, being the latest date for determining our indebtedness, we did not have any material bank overdrafts, loans and other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees or other material contingent liabilities. Our Directors further confirm that there has been no material change in our indebtedness since June 12, 2026 up to the Latest Practicable Date.

Other Payables, Accruals and Other Current Liabilities

Our Company entered into an Asset-Backed Commercial Paper arrangement and transferred trade receivables to one of our Controlling Shareholders. Under the arrangement, our Company collected the trade receivables on behalf of the controlling shareholder. As of December 31, 2023, 2024 and 2025 and May 31, 2026 and June 12, 2026, our other payables, accruals and other current liabilities that had not yet been paid to such controlling shareholder were RMB39.1 million, RMB111.1 million, nil, nil and nil, respectively.

CAPITAL EXPENDITURE

We incurred capital expenditures of RMB53.1 million, RMB60.1 million, RMB885.0 million, RMB5.5 million and RMB214.3 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively, mainly in relation to purchases of items of property, plant and equipment, right-of-use assets and intangible assets.

We expect to fund our future capital expenditures with our operating cash flows as well as with our own funds or other funds raised. We may adjust our capital expenditures for any given period according to our ongoing business needs and in light of market conditions or other factors we believe appropriate.

KEY FINANCIAL RATIOS

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

	As of / Year Ended December 31,			As of/ Five Months Ended May 31,
	2023	2024	2025	2026
Return on equity[(1)]	13.4%	15.9%	16.4%	8.0%
Current ratio[(2)]	1.1	1.1	1.2	1.1
Net profit growth rate[(3)]	N/A	38.6%	0.2%	5.7%

Notes:

(1) Return on equity was calculated based on profit attributable to owners of the parent of the respective period, divided by average balance of equity attributable to owners of the parent (exclude perpetual securities) and multiplied by 100%. The increase in our ROE from 2023 to 2024 was primarily attributable to the steady growth of our profit attributable to owners of the parent, which outpaced the growth of our equity attributable to owners of the parent. The increase in our ROE from 2024 to 2025 was primarily attributable to our enhanced profitability.

(2) Current ratio was calculated dividing current assets by current liabilities as of the dates indicated.

(3) Net profit growth rate was calculated dividing the change in net profit for the current year/period relative to the prior year/period by the net profit of the prior year/period.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time. The controlling shareholder of the Group had provided guarantees in connection with interest-bearing loans and other borrowings, letters of credit, note payables and guarantee letter made to the Group as of May 31, 2026. We expect that the majority of such guarantees will be released upon [**REDACTED**]. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Financial Independence" and Note 37 to the Accountants' Report in Appendix I to this document for more details.

Our Directors are of the view that each of the related party transactions set out in Note 37 to the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. In 2023, 2024, 2025 and the five months ended May 31, 2026, we declared dividends of RMB747.3 million, RMB649.7 million, RMB572.8 million and nil, respectively. As of the Latest Practicable Date, we did not have a formal dividend policy or pre-determined dividend payout ratio.

After completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

DISTRIBUTABLE RESERVES

As of May 31, 2026, we had retained earnings of RMB2,435.7 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees (such as the discretionary incentive fee) incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] will be approximately RMB[**REDACTED**] (or HK$[**REDACTED**], representing [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**]) (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]), which are composed of (i) [**REDACTED**] of approximately RMB[**REDACTED**] and (ii) [**REDACTED**] of approximately RMB[**REDACTED**], which consist of (a) fees and expenses of legal advisors and reporting accountants of approximately RMB[**REDACTED**], and (b) other fees and expenses of approximately RMB[**REDACTED**]. An estimated amount of RMB[**REDACTED**] for our [**REDACTED**], was or is expected to be expensed through the statement of profit or loss and the remaining amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. During the Track Record Period, [**REDACTED**] of [**REDACTED**] was charged to the consolidated statements of profit or loss, and RMB[**REDACTED**] was recognized as other current assets and to be deducted from equity upon the [**REDACTED**].

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, foreign currency risk and price risk. See Note 40 to the Accountants' Report in Appendix I to this document for more details.

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial, operational or trading position, indebtedness or prospects since May 31, 2026, being the date of our latest reviewed financial statements, and there has been no event since May 31, 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

OVERVIEW

Pursuant to the acting in concert agreement dated February 6, 2026 (the "**Acting in Concert Agreement**") entered into by Hangzhou Industrial Group and Zhejiang Lianyu (together, the "**Concert Parties**") with a term of 72 months commencing from the date of execution the Concert Parties agreed, among other things, that (i) they have acted in concert since January 1, 2025 and will continue to act in concert and reach consensus on any proposal presented to the general meetings of the Shareholders and when voting at the general meetings of the Shareholders, while Zhejiang Lianyu shall follow Hangzhou Industrial Group's vote in the event of any disagreement; and (ii) unless otherwise agreed by the Concert Parties, the Acting in Concert Agreement may, prior to its expiration, be terminated by Hangzhou Industrial Group by prior written notice to Zhejiang Lianyu, and shall be automatically renewed subject to the internal approvals of each of the Concert Parties and compliance with applicable laws and regulatory requirements. As of the Latest Practicable Date, the Concert Parties have confirmed their intention to renew the Acting in Concert Agreement upon its expiration.

As of the Latest Practicable Date, our Company was owned as to (i) 51% by Hangzhou Industrial Group, which was ultimately owned as to 90% by Hangzhou SASAC (a PRC Governmental Body as defined in Rule 19A.04 of the Listing Rules, which will not be considered as a "controlling shareholder" of a PRC issuer pursuant to Rule 19A.14 of the Listing Rules) and 10% by Zhejiang Caikai; (ii) 44.7% by Zhejiang Lianyu, which was owned as to approximately (a) 31.23% by Lianshi Partnership; (b) 29.27% by Lianwu Partnership; (c) 21.07% by Lianyi Partnership; (d) 12.53% by Lianer Partnership; and (e) 5.91% by Lianshan Partnership, each of which is a Shareholding Platform with Jingning Lianshang being the general partner. Jingning Lianshang was in turn owned as to (a) 50% by Mr. Lyu, our executive Director, (b) 25% by Mr. Wu Xiaowei (吴晓炜), our senior management, and (c) 25% by Mr. Lao Hongbo (劳洪波), our senior management. For details, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" in this document. Pursuant to the articles of association of Hangzhou Industrial Group, all voting rights attached to Zhejiang Caikai's 10% equity interests in Hangzhou Industrial Group are entrusted to Hangzhou SASAC, which exercises such voting rights on Zhejiang Caikai's behalf at the general meetings of shareholders of Hangzhou Industrial Group.

By virtue of the Acting in Concert Agreement, Jingning Lianshang's role as the general partner of each of Lianshi Partnership, Lianwu Partnership, Lianyi Partnership, Lianer Partnership and Lianshan Partnership, and the articles of association of Hangzhou Industrial Group, Hangzhou Industrial Group, Zhejiang Lianyu, Lianshi Partnership, Lianwu Partnership, Lianyi Partnership, Lianer Partnership, Lianshan Partnership, Jingning Lianshang and its shareholders, namely Mr. Lyu, Mr. Wu Xiaowei and Mr. Lao Hongbo, collectively controlled approximately 95.70% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will control approximately [**REDACTED**]% of the voting rights at general meetings of our Company immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). Accordingly, Hangzhou Industrial Group, Zhejiang Lianyu, Lianshi Partnership, Lianwu Partnership, Lianyi Partnership, Lianer Partnership, Lianshan Partnership, Jingning Lianshang and its shareholders, namely Mr. Lyu, Mr. Wu Xiaowei and Mr. Lao Hongbo are considered as a group of Controlling Shareholders of our Company. For details of the shareholding of our Controlling Shareholders, see "History, Development and Corporate Structure".

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, they did not have any interest in other business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we can carry on our business independently of our Controlling Shareholders and their close associates upon the [**REDACTED**].

Management Independence

Upon the [**REDACTED**], our Board will comprise nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors. For details, see "Directors and Senior Management" in this document.

Our management and operational decisions are made by our Board and senior management collectively, most of whom have served our Group for a significant period of time and have substantial relevant industry experience and expertise. Other than (i) Mr. Lyu (member of our Controlling Shareholders Group, our executive Director and president), (ii) Mr. Wu Xiaowei (member of our Controlling Shareholders Group and our senior management), (iii) Mr. Lao Hongbo (member of our Controlling Shareholders Group and our senior management), (iv) Ms. Lu Min (our non-executive Director), (v) Dr. Fang Xu (our non-executive Director), and (vi) Mr. Zhang Yunchun (our non-executive Director), none of our Directors or members of the senior management is a member of our Controlling Shareholders Group or holds any directorships and/or other senior management roles in any companies owned or controlled by our Controlling Shareholders and their respective close associates except members of our Group.

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders for the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our executive Directors and senior management, see "Directors and Senior Management" in this document;

(iii) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and

(v) we have appointed three independent non-executive Directors, comprising one third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to safeguard the interests of our Company and the Shareholders as a whole.

Based on the above, our Directors are satisfied that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

Although our Controlling Shareholders will retain a controlling interest in us after the [**REDACTED**], we have full rights to make all decisions on, and to carry out, our own business operations independently. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders and their respective close associates. We have independent access to our suppliers and customers. We are also in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business independently, and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Financial Independence

We are capable of operating independently of our Controlling Shareholders and their respective associates from a financial perspective. We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function, and an audit committee comprising solely of non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

During the Track Record Period, our Controlling Shareholders provided guarantees (the "**Connected Guarantees**") for our Group's bank borrowings and credit facilities (the "**Guaranteed Borrowings and Credit Facilities**") from various commercial banks and financial institutions. Notwithstanding that certain Connected Guarantees in respect of the Guaranteed Borrowings and Credit Facilities in an aggregate amount of approximately RMB500.3 million are not expected to be fully released upon the [**REDACTED**], we have, as of May 31, 2026, procured the release of Connected Guarantees relating to Guaranteed Borrowings and Credit Facilities in an aggregate amount of approximately RMB27,170 million before or upon the [**REDACTED**]. We have obtained letters from the corresponding lenders in respect of the aforesaid Guaranteed Borrowings and Credit Facilities, pursuant to which the lenders confirmed that the relevant Connected Guarantees will be released (i) upon execution of the relevant confirmation letters; or (ii) upon the repayment, at maturity, of the last outstanding guaranteed loan under certain Guaranteed Borrowings and Credit Facilities, which is expected to occur between February 2026 and June 2026.

We are of the view that the early release of all guarantees provided by our Controlling Shareholders prior to the [**REDACTED**] is not in the best commercial interests of our Company and our Shareholders as a whole, as our Group would need to go through the formalities for refinancing and incur unnecessary additional costs, expenses and time, and our Company has no intention to release all guarantees provided by our Controlling Shareholders prior to the [**REDACTED**]. See "Connected Transactions — Our Fully Exempt Continuing Connected Transactions" for further details of the Connected Guarantees.

Notwithstanding the above, our Directors believe that our Group is capable of operating financially independent from our Controlling Shareholders and their close associates for the following reasons:

(i) during the Track Record Period, we were able to secure financing from independent commercial banks and financial institutions without any guarantees provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, the aggregate amount of such borrowings and credit facilities obtained from independent financial institutions amounted to approximately RMB73,911 million, which substantially exceeded the aggregate amount of the Guaranteed Borrowings and Credit Facilities expected to remain outstanding upon [**REDACTED**] of approximately RMB500.3 million, thereby demonstrating market confidence in our Company's own creditworthiness; and

(ii) the Guaranteed Borrowings and Credit Facilities were on normal commercial terms without more favorable interest rate terms as compared with other financing obtained without the guarantee of our Controlling Shareholders, and the guarantees provided by our Controlling Shareholders were followed market practice as they are standard commercial credit enhancement requirements of certain commercial banks, we do not overly rely on our Controlling Shareholders in financing.

During the Track Record Period, we entered into a series of trade receivables transfer arrangements with Hangzhou Industrial Group (the "**Trade Receivables Transfer Arrangements**"), pursuant to which we transferred certain trade receivables arising in the ordinary course of our commodity trading business to Hangzhou Industrial Group and received the corresponding amounts in cash as consideration. The considerations under the Trade Receivables Transfer Arrangements were determined on an arm's length basis at a discount to the carrying value of the relevant trade receivables, taking into account factors including their quality, expected recoverability and prevailing market rates. We entered into the Trade Receivables Transfer Arrangements to diversify our financing channels and optimize our financing structure. According to Frost & Sullivan, such arrangements are commonly adopted in the commodity trading industry as a financing tool to enhance working capital efficiency. We expect that the Trade Receivables Transfer Arrangements may continue to be entered into from time to time after the [**REDACTED**] in the ordinary course of business where commercially appropriate. Considering that the Trade Receivables Transfer Arrangements (i) have been and are expected to continue to be, entered into on normal commercial terms, and (ii) constitute only an ancillary financing channel for our Group and accounted for less than 2% of the aggregate amount of loans and borrowings obtained by our Group during each financial year and period of the Track Record Period, we do not consider that they give rise to any financial dependence on Hangzhou Industrial Group.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their close associates:

(i) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon the [**REDACTED**]. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) where a transaction or arrangement of our Company is subject to Shareholders' approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules; and

(iv) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors and Senior Management — Directors — Independent Non-Executive Directors" in this document.

We have appointed Red Sun Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

Upon the [**REDACTED**], the following transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

RELEVANT CONNECTED PERSONS

The table below sets forth the parties that will constitute our connected persons upon the [**REDACTED**] and have entered into transactions with us which will constitute our continuing connected transactions upon the [**REDACTED**]:

Connected persons	Relationship
Hangzhou Industrial Group	our Controlling Shareholder
Zhejiang Leihuo Trading Co., Ltd. (浙江雷火商貿有限公司) ("**Zhejiang Leihuo**")	As of the Latest Practicable Date, Zhejiang Leihuo was controlled as to 49% by Hangzhou Wuwei Zhiyuan Industrial Holding Co., Ltd. (杭州無畏治遠實業控股有限公司) ("**Wuwei Zhiyuan**"), which was primarily engaged in investment holding. Wuwei Zhiyuan holds 36.75% of the equity interests in Zhejiang Honors Shancheng, our subsidiary. Accordingly, Zhejiang Leihuo is an associate of Wuwei Zhiyuan and a connected person of our Company at the subsidiary level under the Listing Rules. Wuwei Zhiyuan was owned as to (a) 40% by Ningbo Shanshi Enterprise Management Consulting Partnership (Limited Partnership) (寧波市善時企業管理諮詢合夥企業(有限合夥)), (b) 40% by Hangzhou Wuwei Enterprise Management Consulting Partnership (Limited Partnership) (杭州無畏企業管理諮詢合夥企業(有限合夥)), and (c) 20% by Hangzhou Zhiyuan Enterprise Management Consulting Partnership (Limited Partnership) (杭州治遠企業管理諮詢合夥企業(有限合夥)), each of which is controlled by Ms. Bao Lili (鮑莉莉) as its general partner, and no limited partner holds 30% or more of the partnership interest in any of such partnerships. For more details of Ms. Bao Lili, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" in this document.
Yunnan Chibang Rubber Co., Ltd. (雲南赤邦橡膠有限公司) ("**Chibang Rubber**")	As of the Latest Practicable Date, Chibang Rubber was controlled as to 30% by Zhejiang Dunxin Four Bung Trading Co., Ltd. (浙江敦信四邦貿易有限責任公司) ("**Dunxin Four Bung**"), which holds 49% of the equity interests in Zhejiang Four Bung, our subsidiary. Accordingly, Chibang Rubber is an associate of Dunxin Four Bung and a connected person of our Company at the subsidiary level under the Listing Rules. Dunxin Four Bung was owned as to approximately (a) 58.06% by Ningbo Jing'an Enterprise Management Partnership (Limited Partnership) (寧波旌安企業管理合夥企業(有限合夥)), which was in turn ultimately controlled by Mr. Chen Yufeng, (b) 16.46% by Zhejiang Zilu Trading Co., Ltd. (浙江子路貿易有限公司), which was wholly controlled by Mr. Lao Hongbo (勞洪波), a member of our Controlling Shareholders Group and our senior management, and his close associate, Ms. Shen Jing (沈璟), (c) 10.77% by Mr. Gu Xuequn (顧學群), an Independent Third Party, (d) 9.03% by Dunhe Industrial Investment Management Co., Ltd. (敦和產業投資管理有限公司), which was ultimately owned by Mr. Ye Qingjun (葉慶均), an Independent Third Party, and (e) 5.68% by Zhejiang Zhongyou Xinde Trading Co., Ltd. (浙江中友信德貿易有限公司), which was ultimately owned by Mr. Zhu Xuegang (朱學剛), an Independent Third Party. For more details of Mr. Chen Yufeng, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" in this document.

Connected persons	Relationship
Zhejiang Honors Energy Services Co., Ltd. (浙江杭實能源服務有限公司) ("**Zhejiang Honors Energy**")	As of the Latest Practicable Date, Zhejiang Honors Energy was owned as to (a) 51% by the Company, (b) 23.88% by Ningbo Jing'an Enterprise Management Partnership (Limited Partnership) (寧波旌安企業管理合夥企業(有限合夥)), which was controlled by Mr. Chen Yufeng as its general partner, and none of its limited partners holds 30% or more of the partnership interest therein, (c) 15.50% by Zhejiang Zilu Trading Co., Ltd. (浙江子路貿易有限公司), which was wholly controlled by Mr. Lao Hongbo (勞洪波), a member of our Controlling Shareholders Group and our senior management, and his close associate, Ms. Shen Jing (沈璟), and (d) 9.62% by Ms. Hu Xiaohong (胡小紅), an Independent Third Party. For more details of Mr. Chen Yufeng, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" in this document. As Mr. Lao Hongbo is one of our Controlling Shareholders, Zhejiang Honors Energy therefore constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules.
CIEC Anzhi	As of the Latest Practicable Date, CIEC Anzhi was a non-wholly owned subsidiary of our Company and was owned as to 49% by Hangzhou Industrial Group, one of our Controlling Shareholders, therefore constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
Fully Exempt Continuing Connected Transactions						
1 . .	Supply of Goods to Chibang Rubber	Chibang Rubber	14A.76(1)(b)	N/A	For the years ended December 31, 2023: 14.3 2024: 66.7 2025: 40.8 For the five months ended May 31, 2026: 10.9	2026: 80 2027: 60 2028: 60
2 . .	Procurement of Goods from CIEC Anzhi	CIEC Anzhi	14A.76(1)(a)	N/A	For the years ended December 31, 2023: 5.6 2024: nil 2025: 12.2 For the five months ended May 31, 2026: 35.6	2026: 37 2027: nil 2028: nil
3 . .	Lease of Premises from our Group to Zhejiang Honors Energy	Zhejiang Honors Energy	14A.76(1)(a)	N/A	For the years ended December 31, 2023: 1.5 2024: 1.5 2025: 0.6 For the five months ended May 31, 2026: 0.2	2026: 0.5 2027: 0.5 2028: 0.5

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
4 . .	Provision of Guarantees by Hangzhou Industrial Group	Hangzhou Industrial Group	14A.90	N/A	For the years ended December 31, 2023: 26,366.0 2024: 27,711.0 2025: 21,332.9 For the five months ended May 31, 2026: 5,278.6	2026: 500.3 2027: nil 2028: nil
5 . .	Provision of Trading Services to CIEC Anzhi	CIEC Anzhi	14A.76(1)(a)	N/A	For the years ended December 31, 2023: nil 2024: nil 2025: 7.9 For the five months ended May 31, 2026: 7.1	2026: 34 2027: 7 2028: nil
Partially Exempt Continuing Connected Transactions						
6 . .	Procurement of Goods from Zhejiang Leihuo	Zhejiang Leihuo	14A.76(2) (a)	Announcement requirement	For the years ended December 31, 2023: nil 2024: 43.0 2025: 137.5 For the five months ended May 31, 2026: 99.5	2026: 150 2027: 100 2028: 100
7 . .	Procurement of Goods from Chibang Rubber	Chibang Rubber	14A.76(2) (a)	Announcement requirement	For the years ended December 31, 2023: 55.0 2024: 282.8 2025: 209.6 For the five months ended May 31, 2026: 54.2	2026: 150 2027: 120 2028: 100
8 . .	Supply of Goods to Zhejiang Honors Energy	Zhejiang Honors Energy	14A.76(2) (a)	Announcement requirement	For the years ended December 31, 2023: 27.9 2024: 79.3 2025: 0.3 For the five months ended May 31, 2026: nil	2026: 80 2027: 100 2028: 120

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
9 . .	Zhejiang Honors Energy Financing Framework Agreement	Zhejiang Honors Energy	14A.76(2) (a)	Announcement requirement	For the years ended December 31, 2023: 376.0 2024: 134.0 2025: 29.9 For the five months ended May 31, 2026: 165.9	2026: 250 2027: 300 2028: 350
Non-exempt Continuing Connected Transactions						
10. .	Procurement of Goods from Zhejiang Honors Energy	Zhejiang Honors Energy	14A.35, 14A.36, 14A.49, 14A.71 and 14A.105	Announcement and independent Shareholders' approval requirement	For the years ended December 31, 2023: 3,589.0 2024: 451.0 2025: 450.0 For the five months ended May 31, 2026: 169.4	2026: 600 2027: 600 2028: 600

OUR FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Supply of Goods to Chibang Rubber

We have provided, and expect to continue to provide, mixed rubber related products to Chibang Rubber for our trading business. The supply of mixed rubber related products to Chibang Rubber has been conducted in the ordinary and usual course of business and on normal commercial terms or better. Given our long-standing supply relationship with Chibang Rubber, and its sustained demand for mixed rubber related products arising from its in-house rubber manufacturing business, we consider that maintaining our cooperation is fair and reasonable and in the interests of our Shareholders as a whole. The pricing for the supply of mixed rubber related products is determined based on arm's length negotiations between our Group and Chibang Rubber, with reference to the market prices obtained by our Group from Independent Third Parties for the supply of mixed rubber related products of similar grade, nature and volume. The terms of such transactions are no less favorable to our Group than those available to us from Independent Third Parties.

As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules are less than 1% on an annual basis, and as the transaction constitutes a connected transaction solely because it involves a connected person at the subsidiary level, the supply of mixed rubber related products to Chibang Rubber is fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(b) of the Listing Rules.

2. Procurement of Goods from CIEC Anzhi

We have procured, and expect to continue to procure, ferrous products from CIEC Anzhi for our leasing business. The procurement of ferrous products from CIEC Anzhi has been conducted in the ordinary and usual course of business and on normal commercial terms or better. Given our long-standing procurement relationship with CIEC Anzhi, its stable supply capacity for ferrous products, and its ability to effectively fulfill our Group's demands in terms of volume and quality in a timely and reliable manner, we consider that maintaining our cooperation is fair and reasonable and in the interests of our Shareholders as a whole. The pricing for the procurement of ferrous

products is determined based on arm's length negotiations between our Group and CIEC Anzhi, with reference to the market prices obtained by our Group from Independent Third Parties in relation to the procurement of ferrous products of similar grade, nature and volume. The terms of such transactions are no less favorable to our Group than those available to us from Independent Third Parties.

As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules are less than 0.1% on an annual basis, the procurement of goods from CIEC Anzhi will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(a) of the Listing Rules.

3. Lease of Premises from our Group to Zhejiang Honors Energy

Our Group has entered into lease agreements with Zhejiang Honors Energy, pursuant to which our Group agreed to lease to Zhejiang Honors Energy certain premises in Hangzhou City, Zhejiang Province, for office use. The amount of rent under such lease agreements has been determined based on arm's length negotiation between our Group and Zhejiang Honors Energy with reference to the prevailing market rent of comparable properties in the proximity of the premises. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

As all of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules are less than 0.1% on an annual basis, the leases of premises to Zhejiang Honors Energy will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(a) of the Listing Rules.

4. Provision of Guarantees by Hangzhou Industrial Group

Hangzhou Industrial Group, as our Controlling Shareholder, has provided guarantees in favor of us to secure certain borrowings and credit facilities from various commercial banks and financial institutions. It is expected that our borrowings and credit facilities in aggregate amounted to approximately RMB500.3 million will continue to be guaranteed by Hangzhou Industrial Group upon the [**REDACTED**] and such guarantees are expected to be fully released upon the repayment of the relevant loans and credit facilities between June 2026 and December 2027, with annual interest rates ranging from 1.7% to 2.2%. As the early release of guarantees provided by Hangzhou Industrial Group is not in the best commercial interest of our Group and our Shareholders as a whole, we do not intend to discharge such guarantees prior to the [**REDACTED**], and the guarantees will continue to be in effect immediately after the [**REDACTED**]. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Financial Independence" for more details.

Upon the completion of the [**REDACTED**], such provision of guarantees by Hangzhou Industrial Group will constitute financial assistance from the Controlling Shareholders under Chapter 14A of the Listing Rules. However, as the financial assistance was provided for the benefit of our Group on normal commercial terms and no security over the assets of our Group was granted in respect of the financial assistance, pursuant to Rule 14A.90 of the Listing Rules, it will be exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. Provision of Trading Services to CIEC Anzhi

We have provided and expect to continue to provide trading support services to CIEC Anzhi in connection with its ferrous products exporting as may be required by CIEC Anzhi from time to time, including but not limited to logistics planning and export consulting services. The

consideration for provisions of services to CIEC Anzhi has been determined based on arm's length negotiation between our Group and CIEC Anzhi with reference to, among others, market prices of similar services, service complexity, and relevant coordination costs.

The provision of services to CIEC Anzhi has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the provision of services to CIEC Anzhi will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(a) of the Listing Rules.

OUR PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, (i) the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% and less than 5% on an annual basis; and (ii) in the event that any such transaction constitutes a connected transaction solely because it involves a connected person at the subsidiary level, the highest applicable percentage ratio will be more than 1% and less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. Procurement of Goods from Zhejiang Leihuo

On [●], our Group [entered] into a goods procurement framework agreement with Zhejiang Leihuo (the "**Zhejiang Leihuo Goods Procurement Framework Agreement**"), pursuant to which Zhejiang Leihuo will supply to our Group chemical commodities as we may require for our chemicals trading business from time to time. Transactions under the Zhejiang Leihuo Goods Procurement Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Zhejiang Leihuo Goods Procurement Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of chemical commodities according to the principles provided in Zhejiang Leihuo Goods Procurement Framework Agreement.

Reasons for the transaction

We have historically procured chemical commodities from Zhejiang Leihuo and have established a stable procurement relationship with them. Zhejiang Leihuo's established sourcing capabilities in chemical commodities and its in-depth understanding of our Group's business needs, quality standards and operational requirements, entering into the Zhejiang Leihuo Goods Procurement Framework Agreement enables our Group to secure a stable and reliable supply source, enhance transaction efficiency and better manage procurement planning and exposure to market price fluctuations.

Pricing terms and policies

The pricing relating to the procurement of chemical commodities from Zhejiang Leihuo pursuant to the Zhejiang Leihuo Goods Procurement Framework Agreement shall be determined based on arm's length negotiation with reference to (i) market price we obtained from Independent Third Parties for procurement of chemical commodities of similar nature and quantity, (ii) relevant local industry index prices (including but not limited to the public prices released by the Shanghai Petrochemical Trading Center or Zhuochuang Information (SCI)), (iii) the quality characteristics we require, (iv) associated transportation and logistics costs, (v) the payment terms offered to us, and (vi) changes in relevant local policies. Before placing a purchase order with Zhejiang Leihuo, we shall obtain at least two quotations for products of similar nature and quantities from Independent Third Parties in the same or nearby regions. Our Company will compare the terms offered by Zhejiang Leihuo with the third-party quotations, and the transaction shall only be proceeded if the price is within the range of the prevailing market prices and the terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026, the historical transaction amounts with respect to the procurement of chemical commodities from Zhejiang Leihuo were nil, RMB43.0 million, RMB137.5 million, and RMB99.5 million, respectively. The increase in historical transaction amounts was mainly due to the expansion of our procurement needs for chemical commodities and our recognition of Zhejiang Leihuo's supply quality.

Annual caps

The following table sets forth the proposed annual caps of the transaction amount to be paid to Zhejiang Leihuo by us for our purchase of chemical commodities under the Zhejiang Leihuo Goods Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total prices to be paid by us to Zhejiang Leihuo	150	100	100

The proposed annual cap is determined with reference to, among others, the following factors:

(i) the historical amounts of the transactions between our Group and Zhejiang Leihuo during the Track Record Period in respect of our procurement of chemical commodities;

(ii) the expected reduction in our overall procurement demand for PTA and MEG, which historically constituted our principal purchases from Zhejiang Leihuo;

(iii) the continued expansion of our suppliers network;

(iv) as of the Latest Practicable Date, the aggregate value of purchase contracts entered into with Zhejiang Leihuo in respect of the procurement of chemical commodities amounted to approximately RMB100 million; and

(v) the corresponding prevailing market price for the chemical commodities to be procured by our Group.

7. Procurement of Goods from Chibang Rubber

On [●], our Group [entered] into a goods procurement framework agreement with Chibang Rubber (the "**Chibang Rubber Goods Procurement Framework Agreement**"), pursuant to which Chibang Rubber will supply to our Group rubber products as we may require for our trading business from time to time. Transactions under the Chibang Rubber Goods Procurement Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Chibang Rubber Goods Procurement Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of natural rubber related products according to the principles provided in Chibang Rubber Goods Procurement Framework Agreement.

Reasons for the transaction

Chibang Rubber is controlled as to 30% by Dunxin Four Bung, which is principally an investment holding platform and has invested in a number of bulk commodities trading companies. Through Dunxin Four Bung, we became acquainted with Chibang Rubber, and have historically sourced rubber products for our trading business from Chibang Rubber and have well-developed partnership with them. Chibang Rubber benefits from its geographical proximity to major rubber-producing regions, which enables it to provide our Group with a stable, reliable and consistent supply of rubber products. Entering into the Chibang Rubber Goods Procurement Framework Agreement allows our Group to secure a stable supply source, enhance transaction efficiency and better manage procurement planning.

Pricing terms and policies

The pricing relating to the procurement of rubber products from Chibang Rubber pursuant to the Chibang Rubber Goods Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Chibang Rubber with reference to:(i) market prices obtained by our Group from Independent Third Parties for the procurement of rubber products of similar grades, nature and quantity; (ii) relevant local industry index prices (including but not limited to the settlement price of the Shanghai Futures Exchange or the price index of the Singapore Commodity Exchange), (iii) quality characteristics required by us, (iv) associated transportation and logistics costs, (v) payment terms offered to us, and (vi) changes in applicable local policies. Before placing a purchase order with Chibang Rubber, we shall obtain at least two quotations for products of similar nature and quantities from Independent Third Parties in the same or nearby regions. Our Company will compare the terms offered by Chibang Rubber with the third-party quotations, and the transaction shall only be proceeded if the price is within the range of the prevailing market prices and the terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026, the historical transaction amounts with respect to the procurement of rubber products from Chibang Rubber were approximately RMB55.0 million, RMB282.8 million, RMB209.6 million, and RMB54.2 million, respectively. The significant increase from 2023 to 2024 was driven by rising global rubber prices, stronger market demand and Chibang Rubber's corresponding production expansion, while the subsequent decline resulted from its strategic reduction in supply to intermediate traders like us.

Annual caps

The following table sets forth the proposed annual caps of the transaction amount to be paid to Chibang Rubber by us for our purchase of rubber products under the Chibang Rubber Goods Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total prices to be paid by us to Chibang Rubber	150	120	100

The proposed annual cap is determined with reference to, among other factors, the following factors:

(i) the historical amounts of the transactions between our Group and Chibang Rubber during the Track Record Period in respect of our procurement of rubber products;

(ii) the expected demand of our Group for rubber products from Chibang Rubber and other independent sourcing channels, taking into account our future business needs; and

(iii) the corresponding prevailing market price for the rubber products to be procured by our Group.

8. Supply of Goods to Zhejiang Honors Energy

On [●], our Group [entered] into a good supply framework agreement with Zhejiang Honors Energy (the "**Zhejiang Honors Energy Supply Framework Agreement**"), pursuant to which our Group will supply to Zhejiang Honors Energy chemical and other commodities as they may require from time to time for its trading purpose. Transactions under the Zhejiang Honors Energy Supply Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Zhejiang Honors Energy Supply Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the supply of chemical and other commodities by our Group to Zhejiang Honors Energy according to the principles provided in Zhejiang Honors Energy Supply Framework Agreement.

Reasons for the transaction

Zhejiang Honors Energy is principally engaged in the trading of chemical products and agricultural products. We have historically supplied various chemical and other commodities, including, among others, lithium carbonate, styrene, and cotton to Zhejiang Honors Energy and have well-developed supply partnership with them. Our Group primarily supplied goods to Zhejiang Honors Energy through physical delivery transactions arising from commodity futures traded on the relevant commodity exchanges, while also undertaking direct supply arrangements. Given Zhejiang Honors Energy's complementary procurement and sales channels with our Group as well as its familiarity with our business needs and quality standards, entering into the Zhejiang Honors Energy Supply Framework Agreement enables our Group to enhance transaction efficiency and better manage inventory and market risks.

Pricing terms and policies

The pricing relating to the supply of chemical and other commodities by us to Zhejiang Honors Energy pursuant to the Zhejiang Honors Energy Supply Framework Agreement shall be determined based on arm's length negotiations between our Group and Zhejiang Honors Energy, with reference to: (i) the prevailing market prices quoted by independent third parties for comparable commodities of similar grade, nature, and quantity, (ii) relevant local industry index prices, (iii) quality characteristics required by Zhejiang Honors Energy, (iv) associated transportation and logistics costs, (v) payment terms offered to us, and (vi) changes in applicable local policies. Before entering into a transaction with Zhejiang Honors Energy, we shall obtain at least two quotations for products of similar nature and quantities from Independent Third Parties in the same or nearby regions. Our Company will compare the terms offered by Zhejiang Honors Energy with the third-party quotations, and the transaction shall only be proceeded if the price is within the range of the prevailing market prices and the terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026, the historical transaction amounts with respect to the supply of chemical and other commodities to Zhejiang Honors Energy were approximately RMB27.9 million, RMB79.3 million, RMB0.3 million, and nil, respectively. Since the supply of chemical and other commodities from our Group to Zhejiang Honors Energy are primarily secondary market activities settled through physical delivery of futures contracts on commodities exchanges, fluctuations in historical transaction amounts are primarily attributed to the variable nature of the futures delivery-based trading model adopted for supplies to Zhejiang Honors Energy, where transactions are contingent upon the randomness of warehouse matching and the overlap of commodity portfolios between our Group and Zhejiang Honors Energy on commodities exchanges.

Annual caps

The following table sets forth the proposed annual caps of the transaction amounts to be received by us from Zhejiang Honors Energy under the Zhejiang Honors Energy Supply Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total prices to be paid to our Group by Zhejiang Honors Energy	80	100	120

The proposed annual cap is determined with reference to, among other factors, the following factors:

(i) the historical amounts of the transactions between our Group and Zhejiang Honors Energy during the Track Record Period in respect of our supply of chemical and other commodities;

(ii) the expected continued expansion of Zhejiang Honors Energy's business operations from 2026 to 2028, as evidenced by an approximately five-fold increase in its revenue for the five months ended May 31, 2026, as compared with its total revenue for the year ended December 31, 2025, which is expected to increase its demand for chemical and other commodities supplied by our Group;

(iii) the expansion in the range of commodities demanded by Zhejiang Honors Energy, including PVC, glass and industrial silicon. Such broader range of commodities in respect of which both parties may hold deliverable futures positions, is expected to broaden the scope of potential transactions and increase the opportunities for warehouse matching and physical delivery transactions between the parties;

(iv) the expectation that a majority of the transactions will arise from physical delivery of commodity futures through the relevant commodity exchanges, together with an appropriate buffer to accommodate the inherent variability of such transactions, given that the timing, delivery volume, commodity mix and settlement value of individual deliveries cannot be precisely predetermined and individual deliveries may involve substantial transaction amounts; and

(v) the corresponding prevailing market price for the chemical and other commodities to be supplied by our Group.

9. Zhejiang Honors Energy Financing Framework Agreement

On [●], our Group [entered] into a financing framework agreement with Zhejiang Honors Energy (the "**Zhejiang Honors Energy Financing Framework Agreement**"), pursuant to which we will provide loans to Zhejiang Honors Energy as they may require from time to time for its daily operating capital turnover, and Zhejiang Honors Energy shall repay the principal together with interest thereon. Transactions under the Zhejiang Honors Energy Financing Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Zhejiang Honors Energy Financing Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for relevant financing transactions according to the principles provided in Zhejiang Honors Energy Financing Framework Agreement.

Reasons for the transaction

Our Group generally conducts unified external financing and internally allocates loans to our subsidiaries once they have the actual operating capital needs, thereby reducing our Group's overall financing costs, enhancing fund utilization efficiency and effectively mitigating short-term funding shortfalls at the subsidiary level. Zhejiang Honors Energy is principally engaged in the trading of chemical products and agricultural products. As an integrated subsidiary within our Group's ecosystem, Zhejiang Honors Energy plays a key role in supporting our Group's trading operations, and its operational stability contributes to the effective execution of our Group's overall trading strategy and transaction matching efficiency.

Pricing terms and policies

The interest rates applicable to the financing under the Zhejiang Honors Energy Financing Framework Agreement shall be determined on an arm's length basis and from time to time, with reference to (i) the actual funding cost incurred by our Group in obtaining loans from independent commercial banks and other financial institutions, and (ii) interest rates for comparable loans of a similar tenor applicable to our other subsidiaries. Any specific financing agreement to be entered into pursuant to the Zhejiang Honors Energy Financing Framework Agreement shall be entered into on normal and no less favorable commercial terms as compared to the prevailing market price and terms for comparable financing activities.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026, the historical transaction amounts with respect to the loans provided by us to Zhejiang Honors Energy were approximately RMB376 million, RMB134 million, RMB29.9 million, and RMB165.9 million, respectively, and the interest rates we charged to Zhejiang Honors Energy ranged from approximately 3.0% to 3.7%. The decrease in the amount of loans provided by our Company to Zhejiang Honors Energy during the relevant period was primarily attributable to the fact that, in 2024 and 2025, (i) based on the commercial arrangements negotiated with their suppliers, Zhejiang

Honors Energy, like other subsidiaries of our Group, was generally inclined to use letters of credit as the main settlement method for purchases; and (ii) Zhejiang Honors Energy's procurement scale decreased due to its business strategy at the time, which reduced its demand for cash funding from us. As a result, the historical amounts of loans provided by our Company to Zhejiang Honors Energy decreased accordingly.

Annual caps

The following table sets forth the proposed annual caps of the maximum loans amount provided by our Group and the fees to be charged to us under the Zhejiang Honors Energy Financing Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Maximum loans amount	250	300	350

The proposed annual cap is determined with reference to, among others, the following factors:

(i) the historical transaction amounts incurred between our Group and Zhejiang Honors Energy in respect of the provision of loans during the Track Record Period;

(ii) our Group has adopted a more prudent treasury management approach in response to the reduced preference among Zhejiang Honors Energy's trading counterparties for settlement by letters of credit. As an increasing proportion of the relevant transactions are expected to be settled in cash instead, Zhejiang Honors Energy is expected to have greater working capital requirements and therefore require a higher level of cash funding support from our Group; and

(iii) the expected funding requirements of Zhejiang Honors Energy arising from its role in supporting our Group's commodity trading operations and its own business expansion, as reflected by the approximately five-fold increase in its recorded revenue as of May 31, 2026, compared to that for the entire financial year of 2025.

OUR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

10. Procurement of Goods from Zhejiang Honors Energy

On [●], our Group [entered] into a goods procurement framework agreement with Zhejiang Honors Energy (the "**Zhejiang Honors Energy Procurement Framework Agreement**"), pursuant to which Zhejiang Honors Energy will supply to our Group certain commodities as we may require from time to time. Transactions under the Zhejiang Honors Energy Procurement Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Zhejiang Honors Energy Procurement Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of commodities according to the principles provided in Zhejiang Honors Energy Procurement Framework Agreement.

Reasons for the transaction

Zhejiang Honors Energy is principally engaged in the trading of chemical products and agricultural products. We have historically sourced various commodities, including, among others, non-ferrous metals, agricultural products and chemicals from Zhejiang Honors Energy and have well-developed procurement partnership with them. Our Group primarily procured goods from Zhejiang Honors Energy through physical delivery transactions arising from commodity futures traded on the relevant commodity exchanges, while also undertaking direct procurement arrangements. Considering that Zhejiang Honors Energy can effectively fulfill our Group's demands in terms of volume and quality in a timely and reliable manner, maintaining such procurement partnership helps mitigate supply chain disruptions and market volatility risks, facilitating the conduct of our Group's commodity trading business.

Pricing terms and policies

The pricing relating to the procurement of commodities from Zhejiang Honors Energy pursuant to the Zhejiang Honors Energy Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Zhejiang Honors Energy, with reference to: (i) the prevailing market prices quoted by independent third parties for comparable commodities of similar grade, nature, and quantity, (ii) relevant local industry index prices, (iii) quality characteristics required by us, (iv) associated transportation and logistics costs, (v) payment terms offered to us, and (vi) changes in applicable local policies. Before placing a purchase order with Zhejiang Honors Energy, we shall obtain at least two quotations for products of similar nature and quantities from Independent Third Parties in the same or nearby regions. Our Company will compare the terms offered by Zhejiang Honors Energy with the third-party quotations, and the transaction shall only be proceeded if the price is within the range of the prevailing market prices and the terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026, the historical transaction amounts with respect to the procurement of commodities from Zhejiang Honors Energy were approximately RMB3,589 million, RMB451 million, RMB450 million, and RMB169.4 million, respectively. The decrease in historical transaction amounts was primarily attributable to changes in Zhejiang Honors Energy's business focus and product portfolio, which limited their capacity to provide certain commodities required by our Group, such as industrial silicon, pulp, and natural rubber related commodities.

Annual caps

The following table sets forth the proposed annual caps of the transaction amounts to be paid to Zhejiang Honors Energy by us under the Zhejiang Honors Energy Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total prices to be paid by us to Zhejiang Honors Energy	600	600	600

The proposed annual cap is determined with reference to, among other factors, the following factors:

(i) the historical amounts of the transactions between our Group and Zhejiang Honors Energy during the Track Record Period in respect of our procurement of commodities;

(ii) the expected gradual restoration and enhancement of Zhejiang Honors Energy's supply capacity from 2026 to 2028, as evidenced by an approximately five-fold increase in its revenue for the five months ended May 31, 2026, as compared with its total revenue for the year ended December 31, 2025;

(iii) the anticipated growth in our overall procurement demand and the expansion in the range of commodities available for procurement from Zhejiang Honors Energy, including the resumption and newly introduction of polyvinyl chloride and glass. Such broader range of commodities in respect of which both parties may hold deliverable futures positions, is expected to broaden the scope of potential transactions and increase the opportunities for warehouse matching and physical delivery transactions between the parties;

(iv) the expectation that a majority of the transactions will arise from physical delivery of commodity futures through the relevant commodity exchanges, together with an appropriate buffer to accommodate the inherent variability of such transactions, given that the timing, delivery volume, commodity mix and settlement value of individual deliveries cannot be precisely predetermined and individual deliveries may involve substantial transaction amounts; and

(v) the corresponding prevailing market price for the commodities to be procured by our Group.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Procurement of Goods from Zhejiang Honors Energy for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, on an annual basis, such transactions will, upon the [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted and will continue to adopt, the following internal control procedures:

- we have adopted and implemented a management system on connected transactions; under such system, the Audit Committee under our Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions; in addition, the Audit Committee under our Board, our Board and various internal departments of our Company are jointly responsible for evaluating the terms for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- the Audit Committee under our Board, our Board and various internal departments of our Company also regularly monitor the fulfillment status and the transaction updates;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the relevant agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and

- our Company will continue to regularly conduct research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by or to the above connected persons are fair, reasonable and are no less favorable than those offered to or from Independent Third Parties.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transactions set out above have been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Company in relation to the aforesaid continuing connected transactions, (ii) obtained necessary representations and confirmations from our Company and our Directors, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Sole Sponsor is of the view that the aforesaid continuing connected transactions, for which a waiver has been sought, have been entered into and will be carried out in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVER GRANTED BY THE STOCK EXCHANGE

In respect of the partially-exempt and non-exempt continuing connected transactions described above, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB3,387,453,431 comprising of 3,387,453,431 Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares in issue	–	–
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**[100.00]**

Immediately following completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
		(%)
Unlisted Shares in issue	–	–
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**[100.00]**

OUR SHARES

The H Shares in issue upon completion of the [**REDACTED**] and the Unlisted Shares are ordinary Shares in the share capital of our Company and are considered as one class of Shares.

Our H Shares may only be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be [**REDACTED**] for and [**REDACTED**] in Renminbi. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as our certain existing Shareholders, whose unlisted Shares will be converted into H Shares upon completion of the filing with the CSRC), H Shares generally cannot be [**REDACTED**] for by or [**REDACTED**] between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional [**REDACTED**] and qualified foreign strategic [**REDACTED**].

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and shall rank pari passu with each other in all respects and, in particular, shall rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, [**REDACTED**] and [**REDACTED**] of such [**REDACTED**] Shares have been completed. Additionally, such conversion, [**REDACTED**] and [**REDACTED**] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, then the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any application for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules, the General Rules of HKSCC and [**REDACTED**] in force from time to time.

Until the converted Shares are re-registered on the H Share register of our Company, such Shares will not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization" in this document.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any listing of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the H Shares to be [**REDACTED**] by our Company (including the H Shares to be converted from our existing Unlisted Shares) prior to the [**REDACTED**] will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of Shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Summary of Articles of Association" in Appendix V to this document for further details.

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares and assuming the [**REDACTED**] is not exercised, the following persons will have interests and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

(A) INTEREST IN THE SHARES OF OUR COMPANY

Name of Shareholder	Nature of interest	Number and class of Shares held upon completion of the [REDACTED][(1)]	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the H Shares immediately upon completion of the [REDACTED][(2)] assuming the [REDACTED] is not exercised
Hangzhou Industrial Group	Beneficial owner[(3)]	[**REDACTED**]	95.70%	[**REDACTED**]
	Interest held jointly with another corporation[(4)]			
Zhejiang Lianyu	Beneficial owner[(5)]	[**REDACTED**]	95.70%	[**REDACTED**]
	Interest held jointly with another corporation[(4)]			
Jingning Lianshang	Interest in controlled Corporation[(4)(5)]	[**REDACTED**]	95.70%	[**REDACTED**]
Mr. Lyu	Interest in controlled Corporation[(4)(5)]	[**REDACTED**]	95.70%	[**REDACTED**]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of [**REDACTED**] H Shares in issue upon the [**REDACTED**] comprising (i) an aggregate of [**REDACTED**] H Shares to be converted from the Unlisted Shares and (ii) [**REDACTED**] H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (without taking into account the H Shares which may be [**REDACTED**] upon the exercise of the [**REDACTED**]).

(3) As of the Latest Practicable Date, Hangzhou Industrial Group directly held 1,727,601,250 Shares of our Company, which was owned as to 90% by Hangzhou SASAC and 10% by Zhejiang Caikai, which was wholly owned by the Department of Finance of Zhejiang Province (浙江省財政廳).

(4) Hangzhou Industrial Group and Zhejiang Lianyu have entered into the Acting in Concert Agreement on February 6, 2026. See "Relationship with Our Controlling Shareholders" for more details. By virtue of the SFO, Hangzhou Industrial Group and Zhejiang Lianyu are deemed to be interested in the Shares held by each other.

(5) As of the Latest Practicable Date:

(i) Zhejiang Lianyu directly held 1,514,263,321 Shares of our Company;

(ii) Zhejiang Lianyu was held as to approximately (a) 31.23% by Lianshi Partnership; (b) 29.27% by Lianwu Partnership; (c) 21.07% by Lianyi Partnership; (d) 12.53% by Lianer Partnership; and (e) 5.91% by Lianshan Partnership, each of which is a Shareholding Platform incorporated under the PRC laws with Jingning Lianshang being the general partner. Jingning Lianshang was in turn owned as to 50% by Mr. Lyu, our executive Director. By virtue of the SFO, each of Jingning Lianshang and Mr. Lyu is deemed to be interested in the Shares held by Zhejiang Lianyu.

(B) SUBSTANTIAL SHAREHOLDERS OF OTHER MEMBERS OF OUR GROUP

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage of interest held by the substantial shareholders as of the Latest Practicable Date
Zhejiang Dunxin Sibang Trade Co., Ltd. (浙江敦信四邦貿易有限責任公司)	Zhejiang Four Bung	Beneficial owner	49.00%
	Zhejiang Free Trade Zone Sibang Energy Co., Ltd. (浙江自貿區四邦能源有限公司)	Beneficial owner	49.00%
Shancheng Resources Co., Ltd. (善成資源有限公司)	Zhejiang Honors Shancheng	Beneficial owner	12.25%
	Zhejiang Capital Shancheng Industrial Co., Ltd. (浙江杭資善成實業有限公司)	Beneficial owner	24.50%
	Zhejiang Dongli Petrochemical Co., Ltd. (浙江東瀝石化有限公司)	Beneficial owner	12.25%
	Honors Shancheng Industrial (Thailand) Co. Ltd	Beneficial owner	48.00%
	HONORS SHANCHENG COTE D'IVOIRE INDUSTRIAL SARL	Beneficial owner	12.25%
DPL Commodity Singapore Pte. Ltd	Four Bung Industries	Beneficial owner	49.00%
Zhejiang Zixin Trading Co., Ltd. (浙江子信貿易有限責任公司)	Zhejiang Honors Chemical	Beneficial owner	49.00%
Hangzhou Wuwei Zhiyuan Industrial Holding Co., Ltd. (杭州無畏治遠實業控股有限公司)	Zhejiang Honors Shancheng	Beneficial owner	36.75%
	Zhejiang Capital Shancheng Industrial Co., Ltd. (浙江杭資善成實業有限公司)	Beneficial owner	24.50%
	Zhejiang Dongli Petrochemical Co., Ltd. (浙江東瀝石化有限公司)	Beneficial owner	36.75%
	HONORS SHANCHENG COTE D'IVOIRE INDUSTRIAL SARL	Beneficial owner	36.75%
Hangzhou Industrial Group	CIEC Anzhi	Beneficial owner	49.00%
Luan Steel Holding Group Co., Ltd. (六安鋼鐵控股集團有限公司)	Anhui CIEC Wangang Supply Chain Management Co., Ltd. (安徽熱聯皖鋼供應鏈管理有限公司)	Beneficial owner	45.00%

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage of interest held by the substantial shareholders as of the Latest Practicable Date
Ningbo Jing'an Enterprise Management Partnership (Limited Partnership) (寧波旌安企業管理合夥企業(有限合夥))	Zhejiang Honors Energy Services Co., Ltd. (浙江杭實能源服務有限公司)	Beneficial owner	23.88%
Zhejiang Zilu Trading Co., Ltd. (浙江子路貿易有限公司)	Zhejiang Honors Energy Services Co., Ltd. (浙江杭實能源服務有限公司)	Beneficial owner	15.50%
Zhejiang Jindi Petrochemical Energy Co., Ltd. (浙江金帝石化能源有限公司)	Zhejiang Free Trade Zone Hangshi Jindi Energy Co., Ltd. (浙江自貿區杭實金帝能源有限公司)	Beneficial owner	49.00%
Zhejiang Jiashan Economic Development Zone Industry Corporation (嘉善經濟技術開發區實業有限公司)	Jiashan Lianjia Supply Chain Management Co., Ltd. (嘉善聯嘉供應鏈管理有限公司)	Beneficial owner	30.00%
Zhejiang Haisheng Energy Trade Co., Ltd. (浙江海晟能源貿易有限公司)	Zhejiang Haisheng Energy Chemical Trading Co., Ltd. (浙江海晟能化工貿有限公司)	Beneficial owner	49.00%
Hainan Yangpu Shunbo Technology Service Co., Ltd. (海南洋浦順博科技服務有限公司)	Hangzhou CIEC Lianfeng Trading Co., Ltd. (杭州熱聯聯豐貿易有限公司)	Beneficial owner	49.00%
Ningbo Yude Trading Co., Ltd. (寧波喻德貿易有限公司)	Hangzhou Bohai Iron and Steel Trade Co., Ltd. (杭州渤海鋼鐵貿易有限公司)	Beneficial owner	40.00%
Hunan Lianchuang Holding Group Co., Ltd. (湖南聯創控股集團有限公司)	Hunan Zhirui Lianzheng Supply Chain Management Co., Ltd. (湖南智瑞聯正供應鏈管理有限公司)	Beneficial owner	25.00%
Hunan Hangying Enterprise Management Partnership (Limited Partnership) (湖南杭盈企業管理合夥企業(有限合夥))	Hunan Zhirui Lianzheng Supply Chain Management Co., Ltd. (湖南智瑞聯正供應鏈管理有限公司)	Beneficial owner	20.00%
Zhejiang Free Trade Zone Huixing Energy Co., Ltd. (浙江自貿區惠行能源有限公司)	Zhejiang Huixing Industrial Co., Ltd. (浙江惠行實業有限公司)	Beneficial owner	49.00%

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage of interest held by the substantial shareholders as of the Latest Practicable Date
Hangzhou Joyful Liancheng Technology Co., Ltd. (杭州喜悦聯成科技有限公司)	Hangzhou Guozhu Liancheng Industrial Co., Ltd. (杭州國祝聯成實業有限公司)	Beneficial owner	49.00%
Hangzhou Zonghengda Transportation Building Materials Partnership (Limited Partnership) (杭州縱橫達交通建材合夥企業(有限合夥))	Zhejiang CIEC Zongheng Trading Co., Ltd. (浙江熱聯縱橫商貿有限公司)	Beneficial owner	49.00%
Hangzhou Hezhong Yuru Enterprise Management Partnership (Limited Partnership) (杭州和衷裕如企業管理合夥企業(有限合夥))	Hangzi Yuxi Industry (Zhejiang) Co., Ltd. (杭資裕熙實業(浙江)有限公司)	Beneficial owner	49.00%
Hangzhou Shiju Enterprise Management Partnership (Limited Partnership) (杭州仕聚企業管理合夥企業(有限合夥))	Zhejiang CIEC Yunsheng Industrial Co., Ltd. (浙江熱聯雲盛實業有限公司)	Beneficial owner	49.00%
Hangzhou Tongyu Trading Co., Ltd. (杭州同譽貿易有限責任公司)	Zhejiang CIEC Tongyu Industrial Co., Ltd. (浙江熱聯同裕實業有限公司)	Beneficial owner	49.00%
Yuchi IMPORT&EXPORT (SHANGHAI) Co., Ltd. (上海煜馳進出口有限公司)	Zhejiang CIEC Chain Energy Co., Ltd. (浙江熱聯鏈能能源有限責任公司)	Beneficial owner	49.00%
Guangdong Weixin Electromagnetic Materials Co., Ltd. (廣東威懇電磁材料有限公司)	Guangdong CIEC Weiken New Materials Co., Ltd. (廣東熱聯威懇新材料有限公司)	Beneficial owner	35.00%
Foshan Weixin Entrepreneurship Investment Enterprise (Limited Partnership) (佛山市威懇創業投資企業(有限合夥))	Guangdong CIEC Weiken New Materials Co., Ltd. (廣東熱聯威懇新材料有限公司)	Beneficial owner	10.00%
JiangSu Juli Intelligent Machinery Corp., Ltd. (江蘇聚力智能機械股份有限公司)	Jiangsu CIEC Zhenrong Supply Chain Management Co., Ltd. (江蘇熱聯臻融供應鏈管理有限公司)	Beneficial owner	24.50%

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage of interest held by the substantial shareholders as of the Latest Practicable Date
Shanghai Shizhen Metal Technology Co., Ltd. (上海實臻金屬科技有限公司)	Jiangsu CIEC Zhenrong Supply Chain Management Co., Ltd. (江蘇熱聯臻融供應鏈管理有限公司)	Beneficial owner	24.50%
Guangzhou Fersa Metal Products Co., Ltd. (廣州弗爾賽金屬製品有限公司)	Guangzhou CIEC Fersa Auto Parts Co., Ltd. (廣州熱聯弗爾賽汽車部件有限公司)	Beneficial owner	49.00%
Xinji Aosen Special Steel Group Co., Ltd. (辛集市澳森特鋼集團有限公司)	Hangzhou CIEC Financial Leasing Co., Ltd (杭州熱聯融資租賃有限公司)	Beneficial owner	10.00%
Zhenjiang Yongle Investment Management Partnership (Limited Partnership) (鎮江永樂投資管理合夥企業(有限合夥))	Jiangsu Lianjiang High Tech Materials Co., Ltd. (江蘇聯江高新材料有限公司)	Beneficial owner	40.00%
Changchun Baiyeyou Steel Distribution Co., Ltd. (長春佰業優鋼材配送有限公司)	Hangzhou CIEC Baiyeyou Supply Chain Management Co., Ltd. (杭州熱聯佰業優供應鏈管理有限公司)	Beneficial owner	42.00%
Huachuang Blue Ocean Holding Group Co., Ltd. (華創藍海控股集團有限公司)	Zhejiang Lianhua Hebang Resources Co., Ltd. (浙江聯華合邦資源有限公司)	Beneficial owner	43.00%
Tianjin You Fa Steel Pipe Group Stock Co., Ltd. (天津友發鋼管集團股份有限公司)	CIEC Youfa (Tianjin) Supply Chain Management Co., Ltd. (熱聯友發(天津)供應鏈管理有限公司)	Beneficial owner	45.00%
	Hangzhou CIEC Youfa Supply Chain Co., Ltd. (杭州熱聯友發供應鏈有限公司)	Beneficial owner	45.00%
Meisheng Investment Management Pte. Ltd	M Cogeneration Industrial Co., Ltd.	Beneficial owner	40.00%
Zhongyang County Zhixu Xuanmei Co., Ltd. (中陽縣智旭選煤有限公司)	Hangzhou CIEC Wuhefeng Supply Chain Management Co., Ltd. (杭州熱聯五和峰供應鏈管理有限公司)	Beneficial owner	30.00%

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the Conversion of Unlisted Shares into H Shares, have any interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group. Our Directors are not aware of any arrangement that may, at a subsequent date, result in a change of control of our Company or any other member of our Group.

DIRECTORS

Our Board consists of nine Directors, including one executive Director, five non-executive Directors and three independent non-executive Directors. The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Roles and responsibilities	Date of appointment as Director	Time of joining our Group	Relationship with other Directors and members of senior management
Mr. Lyu Yonghong (吕永洪)	50	Executive Director and president	Overall management of business operation and management of our Group and Board related matters	May 2015	August 2003	None
Ms. Lu Min (陆敏)	52	Chairperson of the Board and non-executive Director	Supervising and providing advice on the operation and management of our Group	March 2025	March 2025	None
Mr. Shi Jianjun (施建軍)	59	Non-executive Director	Board related matters	January 2022	January 2022	None
Dr. Fang Xu (方旭)	36	Non-executive Director	Supervising and providing advice on the operation and management of our Group	April 2025	April 2025	None
Mr. Zhang Yunchun (張雲春)	48	Non-executive Director	Supervising and providing advice on the operation and management of our Group	January 2022	January 2022	None
Ms. Wang Wenjun (王文君)	41	Non-executive Director, employee representative Director, deputy director of the president's office and vice chairperson of the trade union	Assisting the director of the president's office in carrying out the office's tasks, and supporting the chairperson of the trade union in carrying out various union tasks	April 2025	April 2019	None
Mr. Yang Yongming (楊永名)	61	Independent non-executive Director	Providing independent opinion and judgment to the Board	January 2022	January 2022	None
Ms. Zheng Juan (鄭娟)	53	Independent non-executive Director	Providing independent opinion and judgment to the Board	February 2026	Upon [REDACTED]	None
Ms. Xia Yachun (夏雅純)	41	Independent non-executive Director	Providing independent opinion and judgment to the Board	February 2026	Upon [REDACTED]	None

Executive Director

Mr. Lyu Yonghong (吕永洪), aged 50, joined our Group in August 2003 as the manager of the planning and finance department and the fund management and operation department of our Company. He has been the Director and the president of our Company since May 2015 and December 2015, respectively. He was re-designated as an executive Director on February 6, 2026, effective on the [**REDACTED**]. Mr. Lyu is responsible for overall management of business operation and management of our Group and Board related matters. Mr. Lyu served in multiple positions at our Company prior to serving as our Director, including manager of the planning and finance department and the fund management and operation department from August 2003 to

December 2010, financial director from December 2010 to June 2014 and the deputy general manager from December 2011 to December 2015. Mr. Lyu has also served as the director of several subsidiaries of our Group, including Hangzhou Cogeneration (Hong Kong) Co., Limited (杭州熱聯(香港)有限公司) since May 2010.

Prior to joining our Group, Mr. Lyu served as an accountant of Hangzhou Mechanical and Electrical Equipment Co., Ltd. (杭州機電設備有限公司) until May 2001, the deputy head of the audit department (核算科) from May 2001 to March 2003, and served at Zhejiang Zhonghui Certified Public Accountants Co., Ltd. (浙江中匯會計師事務所有限公司) from March 2003 to August 2003, engaging in accounting, auditing and tax consulting.

Mr. Lyu graduated from Hangzhou College of Commerce (杭州商學院) (currently known as Zhejiang Gongshang University (浙江工商大學)) in the PRC, majoring in marketing in June 1996 through distance learning, and obtained a Master's Degree in Project Management (MPM) jointly offered by Zhejiang Gongshang University in the PRC and Université du Québec à Chicoutimi in Canada in April 2014 through passing the self-taught higher education examinations. Mr. Lyu has been a member of the Chinese Institute of Certified Public Accountants since August 2003 and a senior economist (full senior level) (正高級經濟師) certified by Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) since February 2022.

Non-executive Directors

Ms. Lu Min (陸敏), aged 52, joined our Group in March 2025. She has been the chairperson of our Board and our Director since joining our Group and was re-designated as a non-executive Director on February 6, 2026, effective on the [**REDACTED**]. Ms. Lu is responsible for supervising and providing advice on the operation and management of our Group.

Prior to joining our Group, Ms. Lu served as a financial manager of Hangzhou Huibao Real Estate Co., Ltd. (杭州匯寶置業有限公司). From June 2012, Ms. Lu served as an assistant to the manager of the financial audit department, a deputy manager of the audit department, the manager of the asset management department and the audit department, the asset management department and the investment & development department (fund management department) of Hangzhou Industrial Group, and since July 2024, she served as the manager of the asset management department of Hangzhou Industrial Group. She has also served as the director and deputy chairperson of the board of Hangzhi Machinery & Electronics Co., Ltd. (杭芝機電有限公司) since June 2021, engaging in formulating strategies, making decisions, and preventing risks. In addition, she served as a director of Xizi Clean Energy Equipment Manufacturing Co., Ltd. (西子清潔能源裝備製造股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002534.SZ), from July 2018 to April 2023 and as a director of Zhongce Rubber Group Co., Ltd. (中策橡膠集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603049.SH), since September 2021.

Ms. Lu obtained a bachelor's degree in management from Nankai University (南開大學) in the PRC in December 2009 through distance learning. She was qualified as a Level 2 certified human resources manager (人力資源管理師二級) in the PRC by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國勞動和社會保障部) in December 2006, a senior accountant in the PRC by Zhejiang Province Human Resources and Social Security Department in December 2019, and a certified asset appraiser (資產評估師) in the PRC by China Appraisal Society (中國資產評估協會) in September 2023. Ms. Lu was awarded Advanced Individual of the Provincial Rural Credit Union (省聯社先進個人) by Zhejiang Provincial Federation of Handicraft Cooperatives (浙江省手工業合作社聯合社) in July 2017, Administrative Incentives for Industrial Investment Promotion (產業投資促進行政獎勵) by People's Government of Hangzhou Municipality (杭州市人民政府) in March 2024, and Third-Class Award of Zhejiang Provincial Modernization

Innovation Achievements in Enterprise Management (Financial Field) (浙江省企業管理現代化創新成果(財務領域)三等獎) by Zhejiang Provincial Association of Chief Financial Officers (浙江省總會計師協會) and the Zhejiang Provincial Enterprise Confederation (浙江省企業聯合會) in June 2024.

Mr. Shi Jianjun (施建軍), aged 59, joined our Group in January 2022. He has been our Director since joining our Group and was re-designated as a non-executive Director on February 6, 2026, effective on the [**REDACTED**]. He is responsible for the Board related matters.

Prior to joining our Group, Mr. Shi served at Zhejiang Yongan Futures Brokerage Co., Ltd. (浙江省永安期貨經紀有限公司, currently known as Yongan Futures Co., Ltd. (永安期貨股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 600927.SH) until April 2017. He has served as the chairman of the board of DH Fund Management Co., Ltd. (敦和資產管理有限公司) since April 2017.

Mr. Shi obtained a bachelor's degree in economic management from Hangzhou University (杭州大學) in the PRC in July 1989 and a master's degree in business administration (MBA) from China Europe International Business School (中歐國際工商管理學院) in the PRC in October 2011. Mr. Shi obtained the fund practitioner qualification (基金從業資格) certified by Asset Management Association of China (中國證券投資基金業協會) in June 2017. He has been a senior economist (full senior level) (正高級經濟師) certified by Zhejiang Province Human Resources and Social Security Department since December 2022. Mr. Shi has been the president of Zhejiang Financial Talent Association (浙江省金融人才協會會長) since March 2017 and the executive vice president of Zhejiang Financial Industry Development Promotion Association (浙江省金融業發展促進會常務副會長) since December 2023.

Dr. Fang Xu (方旭), aged 36, joined our Group in April 2025. He has been our Director since April 2025 and was re-designated a non-executive Director on February 6, 2026, effective on the [**REDACTED**]. Dr. Fang is responsible for supervising and providing advice on the operation and management of our Group.

Prior to joining our Group, Dr. Fang served at Hangzhou Financial Investment Group Co., Ltd. (杭州市金融投資集團有限公司) from June 2016 to December 2023 and as the deputy manager of the science and technology industry department (科技產業部副部長) at Hangzhou Industrial Group from April 2025 to November 2025. He has served as the deputy manager of the strategic planning department (overseas expansion department) (戰略規劃部(海外拓展部)) of Hangzhou Industrial Group from December 2023 to July 2026. Since July 2026, he has served as the deputy general manager of Hangshi Innovation (Hangzhou) Investment Development Group Co., Ltd. (杭實創新(杭州)投資發展集團有限公司). Besides, he has also served as the chairman of the board of Hanggang Science and Technology Innovation Service (Hangzhou) Co., Ltd. (杭港科創服務(杭州)有限公司).

Dr. Fang obtained a bachelor's degree in information display and optoelectronic technology from University of Electronic Science and Technology of China (電子科技大學) in the PRC in July 2011 and a doctoral degree in optical engineering from Zhejiang University (浙江大學) in the PRC in June 2016. Dr. Fang has been an intermediate economist (中級經濟師) certified by Ministry of Human Resources and Social Security of the People's Republic of China (中華人民共和國人力資源和社會保障部) since November 2017.

Mr. Zhang Yunchun (張雲春), aged 48, joined our Group in January 2022. He has been our Director since joining our Group and was re-designated as a non-executive Director on February 6, 2026, effective on the [**REDACTED**]. Mr. Zhang is responsible for supervising and providing advice on the operation and management of our Group. Mr. Zhang has also served as the director of CIEC Anzhi since January 2024.

Prior to joining our Group, Mr. Zhang served in several companies of the group of Hangzhou Industrial Group. He has served as the full-time seconded director and supervisor of the asset management department (資產管理部外派專職董監事) of Hangzhou Industrial Group since April 2019. He has also served as a director of Hangshi Asset Management (Hangzhou) Co., Ltd. (杭實資產管理(杭州)有限公司) since May 2024 and as a director of Hangshi Industrial Investment Holdings (Hangzhou) Group Co., Ltd. (杭實產投控股(杭州)集團有限公司) from August 2022 to June 2026. He served as a director and a supervisor of Hangzhou Industrial Enterprise Investment and Development Co., Ltd. (杭州市工業企業投資發展有限公司) from April 2019 to January 2022 and January 2022 to May 2024, respectively. Mr. Zhang also served as a director and a supervisor of Hangzhou Goldfish Electrical APPLIANCE Group Co., Ltd. (杭州金魚電器集團有限公司) from March 2020 to January 2022 and from January 2022 to October 2024, respectively, and a director of New Sino-French Polymer Materials Co., Ltd. (新中法高分子材料股份有限公司) from April 2019 to August 2023, a director of Hangzhou Research Institute of Chemical Co., Ltd. (杭州市化工研究院有限公司) from December 2019 to December 2021, and a director of Zhongce Rubber Group Co., Ltd. from June 2019 to September 2021.

Mr. Zhang obtained a bachelor's degree in accounting (computerized accounting) from Chongqing Institute of Technology (重慶工學院) (currently known as Chongqing University of Technology (重慶理工大學)) in the PRC in June 2000. Mr. Zhang was awarded Hangzhou Accounting Leading Talent (杭州市會計領軍人才) by Hangzhou Municipal Bureau of Finance (杭州市財政局) in December 2018 and was qualified as a senior accountant certified by Zhejiang Province Human Resources and Social Security Department in March 2022.

Ms. Wang Wenjun (王文君), aged 41, joined our Group in April 2019 as the general administration manager (綜合行政主管) of our subsidiary. She is the employee representative Director, the deputy director of the president's office and the vice chairperson of the trade union of our Company. She was appointed as our employee representative Director in April 2025 and our non-executive Director on February 6, 2026, effective on the [**REDACTED**]. Ms. Wang is responsible for assisting the director of the president's office in carrying out the office's tasks, and supporting the chairperson of the trade union in carrying out various union tasks. Ms. Wang served as the department head and deputy manager of the department of comprehensive management and strategic development of our subsidiary, Honors Commodity Co., Ltd. (杭實國貿投資(杭州)有限公司), successively from April 2019 to February 2022.

Prior to joining our Group, Ms. Wang served at Wuchan Zhongda Logistics Investment Group Co., Ltd. (物產中大物流投資集團有限公司) until June 2018. She served at Zhejiang Jiangong Real Estate Development Group Co., Ltd. (浙江建工房地產開發集團有限公司) from July 2018 to March 2019.

Ms. Wang obtained a bachelor's degree in food science and engineering from Beijing Forestry University (北京林業大學) in the PRC in July 2007 and a master's degree in business administration (MBA) from Zhejiang University (浙江大學) in the PRC in July 2012.

Independent Non-executive Directors

Mr. Yang Yongming (楊永名), aged 61, joined our Group in January 2022. Since joining our Group, he has been our Director, whose role was independent in nature, responsible for providing independent advice to our Company. Mr. Yang was re-designated as an independent non-executive Director on February 6, 2026, effective on the [**REDACTED**]. He is responsible for providing independent opinion and judgment to the Board.

Prior to joining our Group, Mr. Yang served as vice director and the director of marketing management department of Hangzhou Steam Turbine Factory (杭州汽輪機廠) from 1999 and from 2002, respectively, to May 2005, successively as the deputy general manager and the general manager of Hangzhou Dongfeng Shipbuilding Co., Ltd. (杭州東風船舶製造有限公司) from June 2005 to May 2013. He served at Hangzhou Steam Turbine Holdings first as deputy general manager from June 2013 to June 2021 and later as the deputy chairman of the board from July 2021 to January 2024. Mr. Yang served as a director of Guangdong Huaxing Bank (廣東華興銀行) from September 2018 to February 2023 and a consultant of Hangzhou Turbine POWER Group Co., Ltd. from January 2024 to November 2024.

Mr. Yang obtained a bachelor's degree in management engineering from Wuhan Institute of Technology (武漢工學院) (currently known as Wuhan University of Technology (武漢理工大學)) in the PRC in July 1986. Mr. Yang has been a senior economist (高級經濟師) certified by Zhejiang Province Human Resources and Social Security Department since November 2000.

Ms. Zheng Juan (鄭娟), aged 53, has been appointed as our independent non-executive Director on February 6, 2026, effective on the [**REDACTED**]. She is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Zheng has over 20 years of experience in business strategy and management. Prior to joining our Group, Ms. Zheng served at SBI China Capital Securities Limited from April 2006 to February 2009, Oriental Patron Securities Limited from April 2009 to May 2014 and Grey Investment Limited from August 2014 to March 2016. Ms. Zheng served as a director of Shanghai Baoji Pharmaceutical Co., Ltd. (上海寶濟藥業股份有限公司), a company listed on the Stock Exchange (stock code: 02659.HK), from February 2021 to January 2025. She has served at Shengwan Hongyuan Asset Management (Asia) Limited since April 2016. Ms. Zheng is the partner of the Fangyuan Capital (Hong Kong) Limited and has served as its chairperson since July 2020.

Ms. Zheng obtained a bachelor's degree in scientific instrument engineering from Xiamen University (廈門大學) in the PRC in July 1993. She obtained a master's degree in international finance from Fudan University (復旦大學) in the PRC in July 2000 and a master's degree in investment management from The Hong Kong University of Science and Technology in Hong Kong in November 2001.

Ms. Xia Yachun (夏雅純), aged 41, has been appointed as our independent non-executive Director on February 6, 2026, effective on the [**REDACTED**]. She is primarily responsible for providing independent opinion and judgment to the Board.

Ms. Xia has over 15 years of experience in accounting. Prior to joining our Group, Ms. Xia served as an assistant accountant (助理會計師) and business director assistant (業務主任助理) of Zhejiang Hongda Accountant Office Co., Ltd. (浙江宏達會計師事務所有限公司). She served at Ningbo Dezun Certified Public Accountants Co., Ltd. (寧波德遵會計師事務所有限公司) from December 2019 to October 2021, and at Ningbo Desheng Certified Public Accountants (General Partnership) (寧波德昇會計師事務所(普通合夥)) since November 2021.

Ms. Xia obtained her associate's degree in secretarial studies from Ningbo University of Technology (寧波工程學院) in the PRC in June 2006. She has been a member of the Chinese Institute of Certified Public Accountants since March 2016. She has been a certified asset appraiser recognized by China Appraisal Society since November 2017 and a certified tax agent recognized by China Certified Tax Agents Association (中國註冊稅務師協會) since November 2018.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table provides information about members of our senior management:

Name	Age	Position(s)	Roles and responsibilities	Date of first appointment as senior management	Time of joining our Group
Mr. Lyu Yonghong (呂永洪)	50	Executive Director and president	Overall management of business operation, management of our Group and Board related matters	December 2015	August 2003

Name	Age	Position(s)	Roles and responsibilities	Date of first appointment as senior management	Time of joining our Group
Mr. Wu Xiaowei (吴晓炜)	50	Senior vice president	Primarily responsible for assisting the president in overseeing the implementation of the globalization strategy, raw materials business, industry research, investment management and business development	December 2015	December 2009
Mr. Lao Hongbo (劳洪波)	56	Senior vice president	Primarily responsible for assisting the president in overseeing domestic trade of our Group	March 2019	April 2015
Ms. Yan Xiaoyan (嚴曉燕)	54	Vice president	Primarily responsible for assisting the president in overseeing the business development and business management of our Group	March 2022	June 2014
Mr. Jiang Lijing (姜莉菁)	55	Vice president and secretary of the Board	Primarily responsible for assisting the president in overseeing the capital management, non-ferrous metal business management, administrative management and logistics management of our Group	March 2022	March 2022
Mr. Jiang Rizhong (蒋日忠)	47	Vice president	Primarily responsible for assisting the president in overseeing the international business, supply chain business, business development and business management of our Group	March 2026	August 2001
Ms. Li Feixue (李飛雪)	49	Vice president and financial director	Primarily responsible for assisting the president in overseeing the operations management, the financial management and the human resources management of our Group	March 2026	April 2022

Mr. Lyu Yonghong (吕永洪), aged 50, is an executive Director and president of our Company. Please refer to "— Directors — Executive Director" in this section for his biographical details.

Mr. Wu Xiaowei (吴晓炜), aged 50, joined our Group in December 2009 as a deputy department manager of our Company. He has served as our financial director and senior vice president since June 2014 and December 2015, respectively. As a senior vice president of our Company, he is primarily responsible for assisting the president in overseeing the implementation of the globalization strategy, raw materials business, industry research, investment management and

business development of our Group. Mr. Wu served in multiple positions at our Group prior to serving as our senior vice president, including deputy department manager and general manager assistant from December 2009 to December 2015 at our Company. Mr. Wu has also held various directorship and executive positions in several subsidiaries of our Group, including serving as director of CIEC USA Incorporation (杭州熱聯美國公司) and Hangzhou Cogeneration (Hong Kong) Co., Limited (杭州熱聯 (香港) 有限公司).

Prior to joining our Group, Mr. Wu served at Hangzhou Branch of Shanghai Zhejing Materials Company (上海浙經物資公司杭州分公司) from 2002 to 2003 and Zhejiang Oil Economic & Material Co., Ltd. (浙江浙石浙經物資有限公司) from 2003 to 2009.

Mr. Wu obtained a master's degree in Master of Project Management (MPM) jointly offered by Zhejiang Gongshang University in the PRC and Université du Québec à Chicoutimi in Canada in September 2017. He has been a member of the Chinese Institute of Certified Public Accountants certified by Public Accounting Examination Committee of the Ministry of Finance since April 2006 and a senior accountant certified by Provincial Senior Accountant Professional Title Evaluation Committee (省高級會計師資格評審委員會) since July 2011.

Mr. Lao Hongbo (勞洪波), aged 56, joined our Group in April 2015 as the general manager of our subsidiary. He has been our senior vice president since March 2019. He is primarily responsible for assisting the president in overseeing domestic trade of our Group. Mr. Lao has also held various directorship and executive positions in several subsidiaries of our Group, including serving as the general manager and director of Zhejiang CIEC Zhongbang Investment Company (浙江熱聯中邦投資有限公司, which is currently known as Zhejiang Cogeneration Zhongbang Supply Chain Service Co., Ltd. (浙江熱聯中邦供應鏈服務有限公司)) since April 2015 and February 2017, respectively, the director of Hangzhou Yibang Rubber Co., Ltd. (杭州宜邦橡膠有限公司) since 2018, the chairman of the board of Relian Youfa (Tianjin) Supply Chain Management Co., Ltd. (熱聯友發(天津)供應鏈管理有限公司) since March 2024 and the director of Zhejiang Huating Supply Chain Technology Co., Ltd. (浙江華霆供應鏈科技股份有限公司) since June 2025.

Prior to joining our Group, Mr. Lao served at Zhejiang Economic CO-OPERATION Group Co., Ltd. (浙江省經濟協作公司) from June 1991 to December 1996, Zhejiang Yongan Futures Brokerage Co., Ltd. in 1996. Mr. Lao served as the general manager of Zhejiang Jingxie Industrial Development Co., Ltd. (浙江經協實業發展有限公司). He also served as the general manager of Zhejiang Zhongbang Industrial Development Co., Ltd. (浙江中邦實業發展有限公司) from April 2005 to May 2016.

Mr. Lao obtained a bachelor's degree in economic information management from Xiamen University (廈門大學) in the PRC in July 1991.

Ms. Yan Xiaoyan (嚴曉燕), aged 54, joined our Group in June 2014 as the general manager of the financial management center of our Company. She has been the vice president of our Company since March 2022. She is primarily responsible for assisting the president in overseeing the business development and business management of our Group. Prior to serving as our vice president, Ms. Yan served as the general manager of the financial management center and general manager assistant of our Company, from June 2014 to March 2019 and March 2019 to March 2022, respectively. Ms. Yan has also held various directorship and executive positions in several subsidiaries of our Group, including serving as the director of Ningbo Minelink Environmental Protection Technology Co., Ltd. (寧波礦聯環保科技有限公司) since April 2019, Hangzhou GOODWILL International Co., Ltd. (杭州國裕國際貿易有限公司) since June 2023, Hangzhou Business Travel Lianfeng Supply Chain Management Co., Ltd. (杭州商旅聯豐供應鏈管理有限公司) since October 2024, and Zhejiang Lianhua Hebang Resources Co., Ltd. (浙江聯華合邦資源有限公司) since February 2025.

Prior to joining our Group, Ms. Yan served at Hangzhou Fuel Corporation (杭州市燃料總公司) from September 1992 to January 2002, at Zhejiang Zhengda Accountant Firm Co., Ltd. (浙江正大會計師事務所有限公司) from November 2001 to December 2005 and as the project manager of Zhejiang Wanbang Certified Public Accountants Co., Ltd. (浙江萬邦會計師事務所有限公司) from December 2005 to September 2006. Ms. Yan served as the financial director of Zhejiang Materials Industry International CO., LTD. (浙江物產國際貿易有限公司) from September 2006 to June 2014.

Ms. Yan obtained a bachelor's degree in accounting from Zhejiang University of Finance & Economics (浙江財經大學) in the PRC in December 2000 through passing the self-taught higher education examinations.

Mr. Jiang Lijing (姜莉菁), aged 55, joined our Group in March 2022. He has been the vice president and secretary of the Board of our Company since March 2022 and February 2026, respectively. He is primarily responsible for assisting the president in overseeing the capital management, non-ferrous metal business management, administrative management and logistics management of our Group. Mr. Jiang has held various directorship and executive positions in several subsidiaries of our Group, including serving as director of Four Bung Industries since March 2022, Zhejiang Hanglian Steel Co., Ltd. (浙江杭聯鋼鐵有限公司) since October 2023 and Hainan Relian Trading Co., Ltd. (海南熱聯貿易有限公司) since March 2024.

Prior to joining our Group, Mr. Jiang served at China Construction Bank from March 1994 to 2022, serving in various positions and departments.

Mr. Jiang obtained a bachelor's degree in both mechanical manufacturing technology and equipment and international trade from China University of Mining and Technology (中國礦業大學) in the PRC in January 1994 and a master's degree in quantitative economics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in March 2005. Mr. Jiang has been a senior economist (高級經濟師) certified by China Construction Bank Corporation since December 2005.

Mr. Jiang Rizhong (蔣日忠), aged 47, joined our Group in August 2001. He is the vice president of our Company. He is primarily responsible for assisting the president in overseeing the international business, supply chain business, business development and business management of our Group.

Mr. Jiang joined our Group since graduation and served in multiple positions at our Group, including department manager and vice general manager of the business division and senior director at our Company, and vice general manager and general manager assistant of our subsidiaries. He has also held various directorship and executive positions in several subsidiaries of our Group, including serving as director of Honors Commodity Co., Ltd. (杭實國貿投資(杭州)有限公司), CIEC USA Incorporation (杭州熱聯集團股份有限公司美國公司) and CIEC Korea Co., Ltd. (杭州熱聯韓國公司).

Mr. Jiang obtained a double degree in economics and literature from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in July 2001.

Ms. Li Feixue (李飛雪), aged 49, joined our Group in April 2022 as the general manager of the financial management center of our Company. She has been our general manager of the financial management center, our manager of human resources department and our vice president and financial director since April 2022, July 2025 and March 2026, respectively. She is primarily responsible for assisting the president in overseeing the operations management, the financial management and the human resources management of our Group. Prior to serving as our vice president, Ms. Li served as the general manager of the operations management center and the

president assistant of our Company, from August 2023 to July 2025 and from March 2024 to March 2026, respectively. She has also been the general manager of Zhejiang Cogeneration Zhongbang Supply Chain Service Co., Ltd. (浙江熱聯中邦供應鏈服務有限公司), our subsidiary, since November 2024.

Prior to joining our Group, Ms. Li served as the senior professional manager and the director of financial accounting center at Zhejiang Metals and Materials Co. (物產中大金屬集團有限公司) from August 1995 to February 2018, and as the chief financial officer, the general manager assistant and deputy general manager at Shancheng Resources Co., Ltd. (善成資源有限公司) from June 2018 to March 2022.

Ms. Li obtained a bachelor's degree in accounting from Zhejiang University of Finance & Economics (浙江財經大學) in the PRC in December 1999 through passing the self-taught higher education examinations. She has been a senior accountant (高級會計師) certified by Zhejiang Province Human Resources and Social Security Department since April 2011.

JOINT COMPANY SECRETARIES

Ms. Yao Hui (姚卉), aged 38, joined our Group in September 2021. She has served as an investment manager since January 2026 and was appointed as one of the joint company secretaries of our Company on February 6, 2026 with effect from the [**REDACTED**]. She is responsible for investment management of our Group. Ms. Yao has also served as a director of Guangdong CIEC Weiken New Materials Co., Ltd., our subsidiary, since February 2022. Prior to serving as the investment manager of our Company, she served as the compliance and risk control manager and supervisor of Hangzhou Juyuan Private Equity Fund Management Co., Ltd. (杭州炬元私募基金管理有限公司) from September 2018 to January 2026.

Ms. Yao has over 15 years of experience in securities affairs. Prior to joining our Group, Ms. Yao served as a securities affairs assistant of Xizi Clean Energy Equipment Manufacturing Co., Ltd. from July 2010 to January 2013 and a securities affairs representative of Xiangpiaopiao Food Co., Ltd. (香飄飄食品股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603711.SH), from March 2013 to July 2013. She served as a securities affairs representative and secretary to the chairman of the board of Zhejiang Feiyao Decoration Co., Ltd. Hangzhou Branch (浙江飛耀裝飾股份有限公司杭州分公司) from September 2013 to July 2014, and a securities affairs representative of UniTTEC Co., Ltd. (浙江眾合科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000925.SZ), from December 2014 to August 2017. Ms. Yao served as a post-investment director of Hangzhou Xinjunyi Equity Investment Management Co., Ltd. (杭州新俊逸股權投資管理有限公司) from September 2017 to December 2017 and a post-investment director of Hangzhou Xinjunyi Jingheng Enterprise Management Co., Ltd. (杭州新俊逸經衡企業管理有限公司) from January 2018 to August 2018.

Ms. Yao obtained a bachelor's degree in finance from Macau University of Science and Technology in Macau in June 2010. She obtained the fund practitioner qualification (基金從業資格) certified by the Asset Management Association of China in November 2017 and the futures practitioner qualification (期貨從業資格) certified by the China Futures Association (中國期貨業協會) in September 2020. She also obtained the board secretary qualification (董事會秘書資格) recognized by Shenzhen Stock Exchange in July 2011.

Ms. Pun Ka Ying (盤嘉盈) is one of our joint company secretaries. She was appointed as one of the joint company secretaries of our Company on February 6, 2026, with effect from the [**REDACTED**]. She serves as a senior manager of company secretarial services of Tricor Services Limited. Ms. Pun has over 15 years of experience in the company secretary profession. She is familiar with the Listing Rules, the Companies Ordinance as well as compliance work for offshore companies. She has been providing corporate secretarial, corporate governance and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Pun is a Chartered Secretary, a Chartered Governance Professional and an associate of both The

Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Pun obtained a bachelor's degree in social science from The Chinese University of Hong Kong in Hong Kong in December 1999.

OTHER INFORMATION

Except as disclosed above, each of our Directors and members of senior management has not been a director of any public company whose securities are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.

None of our Directors has any interests in any business (apart from our Group's business), which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

To the best knowledge, information and belief of our Directors, save as disclosed above, our Directors and senior management do not have any relationship amongst them.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on February 3, 2026 and (ii) understands his or her obligations as a director of a [**REDACTED**] issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

BOARD COMMITTEES

Our Company has established three Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, including Mr. Yang Yongming, Mr. Zhang Yunchun and Ms. Xia Yachun. Mr. Yang Yongming serves as the chairperson of the Audit Committee, and Ms. Xia Yachun holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, but not limited to, the following:

- reviewing and evaluating the work of external auditors and monitoring the independence of external auditors;
- monitoring and making recommendations to internal audit work of our Company;

- reviewing the financial information of our Company and its disclosures, reviewing and making recommendations to the financial reports and statements of our Company;
- evaluating the effectiveness of internal controls;
- ensuring coordination between the management, internal audit department, relevant departments and external auditors; and
- performing other duties and responsibilities as assigned by our Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, including Mr. Yang Yongming, Mr. Lyu Yonghong and Ms. Xia Yachun. Mr. Yang Yongming serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following:

- formulating remuneration proposals of Directors and members of our senior management in accordance with the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies;
- making recommendations to our Board on the establishment of a formal and transparent procedure for developing remuneration policy;
- conducting the evaluation of the annual performance of all Directors and senior management;
- assessing and reviewing compensation payable to all Directors and senior management;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules (if any); and
- performing other duties and responsibilities as assigned by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Nomination Committee consists of five Directors, including Ms. Lu Min, Mr. Lyu Yonghong, Mr. Yang Yongming, Ms. Zheng Juan and Ms. Xia Yachun. Ms. Lu Min serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- reviewing and making recommendations to the Board on the composition and number of our Board with reference to our Company's business activities, the scale of assets and shareholding structure;
- assessing and reviewing the independence of independent non-executive Directors;
- identifying individuals suitably qualified to become a member of our Board and making recommendations to our Board on the selection of individuals nominated for directorships;

- reviewing the structure and diversity of the Board;
- accessing and making recommendations for the selection of other senior management appointed by our Board; and
- performing other duties and responsibilities as assigned by our Board.

BOARD DIVERSITY

Our Company has adopted the board diversity policy which sets out the objective and approach for achieving and maintaining diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, our Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service.

The Board currently consists of five male and four female members, with one executive Director, four non-executive Directors, one non-executive Director and employee representative Director and three independent non-executive Directors of ages ranging from 36 to 61 with diversified backgrounds and experience. We consider that our Board has a balanced mix of skill-set, experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. In recognition of the importance of gender diversity, our Company has taken, and will continue to take steps to promote gender diversity in the Board. Our Company will continue to consider maintaining the proportion of female and male Board members over time when selecting suitable new or additional candidates for appointments to the Board so as to ensure that appropriate gender diversity is achieved.

Upon the [**REDACTED**], the Nomination Committee will from time to time (i) assess and review expected goals to ensure board diversity and (ii) review and, where necessary, update the board diversity policy to ensure that the policy remains effective. Our Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether our Company has achieved board diversity) in its annual corporate governance report.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after [**REDACTED**].

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members who receive remuneration from our Company are paid in forms of fees, salaries, bonuses, allowances, benefits in kind and pension scheme contributions. The remuneration of our Directors and senior management members is determined with reference to the remuneration paid by relevant companies in the same industry and the achievement of major operating indicators of our Company.

The aggregate amount of remuneration paid to our Directors for the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026 amounted to approximately RMB4.20 million, RMB3.93 million, RMB4.47 million, and RMB1.82 million, respectively. The aggregate amount of remuneration paid to the five highest paid individuals (including our Directors) for the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026 amounted to approximately RMB18.22 million, RMB18.07 million, RMB19.06 million, and RMB8.18 million, respectively.

Under the arrangement currently in force, our Company estimates that the aggregate fixed remuneration (before tax) payable to our Directors for the year ending December 31, 2026 is approximately RMB4.85 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

During the Track Record Period, no fees were paid by our Company to any of our Directors (or former Directors) or the five highest paid individuals as an inducement to join our Company or as compensation for loss of office. None of our Directors waived their remuneration during the Track Record Period.

Information on the service contracts entered into between our Company and our Directors is set out in "Statutory and General Information" in Appendix VI to this document.

COMPLIANCE ADVISOR

Our Company has appointed Red Sun Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Listing Rules. The material terms of the Compliance Advisor's agreement are as follows:

(i) Red Sun Capital Limited shall act as our Compliance Advisor for the purpose of Rules 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**], or until the agreement is terminated, whichever is earlier;

(ii) the Compliance Advisor will provide us with certain services, including proper guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, regulations and rules;

(iii) the Compliance Advisor will, as soon as reasonably practicable, inform us of any amendment or supplement to the Listing Rules announced by the Hong Kong Stock Exchange from time to time, and of any amendment or supplement to the applicable laws, regulations and rules; and

(iv) the Compliance Advisor will act as one of the key channels of communication of our Company with the Hong Kong Stock Exchange.

FUTURE PLANS

Please see "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised and based on an [**REDACTED**] of [**REDACTED**] per Share (being the mid-point of the [**REDACTED**] stated in this Document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] (equivalent to approximately RMB[**REDACTED**]) from the [**REDACTED**], after deducting [**REDACTED**] and estimated expenses paid and payable by us in connection with the [**REDACTED**].

In line with our strategies, we intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the upgrade and expansion of our logistics networks over the next three years. Specifically, we expect to invest in the following networks:

  (i) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to strengthen our warehousing network: (a) increase the number of self-operated warehouses at major logistics hubs of commodity trading markets, such as Inner Mongolia and Hebei Province, by leasing approximately six additional warehouses, which are expected to increase our total storage capacity by approximately five million tonnes in aggregate; (b) recruit approximately 30 additional warehouse operation employees, with an average annual compensation of approximately RMB0.1 million; (c) purchase warehousing machinery and equipment to enhance operational efficiency, increase capacity and support the expansion of our warehousing network, with an estimated total capital expenditure of approximately RMB20.0 million in aggregate. For example, we may purchase cranes and lifting equipment.

  (ii) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to strengthen our transportation network: (a) enhance our in-house road transportation capability by purchasing approximately over 200 additional heavy-duty trucks to increase capacity and improve delivery flexibility, which are expected to increase our transportation capacity by approximately 1.2 million tonnes per year; and (b) maintain and expand our long-term commercial cooperation arrangements with high-quality shipping service providers, primarily through entering into long-term shipping procurement agreements and other commercial service arrangements to secure stable shipping capacity and broaden our network coverage.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for potential investment or acquisition opportunities over the next three years. We intend to seek suitable potential investment or acquisition opportunities across the commodity industry value chain. Through acquisition or investment, we aim to enhance our influence and control over the upstream and downstream resources, thereby supporting our long-term development and strengthening our competitive position.

  Our potential acquisitions or investment targets include (i) natural resource companies, such as businesses engaged in the exploration and mining of minerals, including iron ore and lithium, in which we currently intend to make minority equity investments, and (ii) manufacturing and processing companies, such as metal processing plants and smelters, energy and chemical companies, and agricultural product processors.

In evaluating potential targets, we primarily consider strategic fit and synergies with our trading business, a proven operating track record, strong profitability, reasonable valuation and attractive industry growth prospects. For natural resource companies, we expect targets to hold the requisite mining permits and have sufficient and stable reserves. For manufacturing and processing companies, we expect targets to have adequate capacity, strong technological capabilities and exposure to segments with higher profit elasticity.

In screening potential acquisition targets, we will primarily consider target companies that (i) are valued at levels we consider attractive relative to comparable peers, (ii) demonstrate strong profitability and a sound financial position as evidenced by favorable return on equity, a prudent leverage profile, including a gearing ratio below 70%, and a track record of positive operating cash flow over the past two fiscal years, (iii) have achieved revenue of no less than RMB1.0 billion in the most recent fiscal year, and (iv) are capable of enhancing our business performance, including by strengthening our upstream and downstream channel advantages and generating synergies with our existing operations.

According to Frost & Sullivan, there is a sufficient pool of potential targets because there are over 50 companies in commodity trading industry that meet our investment criteria. As of the Latest Practicable Date, however, we had not identified any specific acquisition or investment targets that we intend to fund with the net [**REDACTED**] from the [**REDACTED**].

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the enhancement and expansion of our commodity portfolio over the next three years. Specifically, we expect to invest in the following aspects:

  (i) Category enhancement: (a) grow our existing teams and add personnel to strengthen execution and market coverage; (b) enhance the capacity of our current teams by improving product expertise, risk management and operational support, as appropriate; (c) expand into additional geographic markets to extend our existing commodity offerings; (d) deepen relationships with existing customers, including by increasing engagement and promoting greater adoption of our existing products and services; and (e) acquire new customers in new markets.

  We plan to further expand our business footprint within Chinese Mainland, with a strategic focus on Tianjin and Tangshan regions, the Guangdong-Hong Kong-Macao Greater Bay Area, as well as Chongqing and Chengdu. Specifically, in the Tianjin and Tangshan regions, which are characterized by a high concentration of steel production capacity, we intend to strengthen our upstream integration by establishing closer business relationships with leading local steel manufacturers, including through potential collaboration in the establishment of processing centers. Through these initiatives, we aim to deepen cooperation, optimize cost structure and improve supply chain stability.

  In the Guangdong-Hong Kong-Macao Greater Bay Area, we intend to establish regional processing and distribution centers to provide additional processing services. In Chongqing and Chengdu, we plan to upgrade our existing logistics hubs into regional steel processing and distribution centers, with a view to optimizing our commodity trading services and offering more tailored supply and pricing solutions to local customers. We believe these initiatives will support our market expansion and strengthen our market presence in these regions.

Such processing centers are expected to provide value-added steel processing services, including precision cutting, slitting, bending, and surface treatment, primarily for cold-rolled, coated and stainless steel sheets. By integrating processing with distribution, we expect to provide customers with products tailored to their required dimensions and specifications, thereby shortening delivery lead time, improving service efficiency and enhancing our ability to satisfy customers' customized processing needs.

(ii) Category expansion: (a) enter selected emerging commodity categories, such as agricultural products, such as soybeans and rapeseed oil, new energy-related commodities such as lithium and cobalt, as well as chemical products, such as resins and specialty chemicals; and (b) build dedicated teams for such categories by introducing teams with deep commodity expertise, an established market presence and strong channel resources.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for enhancing our digital and information technology capabilities over the next three years. Specifically, we expect to invest in the following aspects:

  (i) ERP upgrade: upgrade our self-developed ERP system to enhance end-to-end digitalization and automation across the trading lifecycle and strengthen risk management.

  (ii) Research platform: build an AI-driven industry research platform to support information collection, analysis and processing, thereby enhancing research efficiency and strengthening overall analytical capabilities.

  (iii) Other systems: upgrade other key operating systems, including logistics and inventory management, finance, customer management and risk control systems, to improve operational efficiency and reduce costs.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for deepening our cooperation with upstream and downstream partners over the next three years. Specifically, we expect to invest in the following aspects:

  (i) Joint ventures: establish joint-venture trading companies with upstream and downstream partners to expand their procurement and sales channels, such as forming joint ventures with upstream suppliers to develop their export business by leveraging our global trading capabilities.

  For instance, we are establishing a localized supply chain joint venture with an upstream regional partner. The joint venture will provide integrated services to over 10 large manufacturing enterprises in the region, including centralized procurement and inventory management services. Under this arrangement, our primary role is to coordinate the production process, monitor delivery schedules and facilitate production planning to improve fulfillment efficiency. We will also leverage our logistics management capabilities to coordinate differentiated delivery arrangements based on customers' delivery requirements, and dynamically prioritize shipments to improve delivery efficiency and service quality.

  (ii) Project cooperation: pursue project-based cooperation, such as jointly establishing processing or warehousing centers to provide end users with integrated solutions. Such integrated solutions are generally delivered through centralized operational arrangements. We will first aggregate customers' fragmented orders with diverse specifications into standardized production batches through order aggregation and

specification integration. We will then coordinate centralized procurement and processing to improve production efficiency and reduce procurement costs. Finally, we will provide one-stop supply chain services covering raw material sourcing, warehousing, inventory management and finished product delivery, enabling customers to obtain customized products that are ready for use.

For instance, we are acting as a designated supply chain service partner to a large special steel manufacturer in East China with annual production exceeding one million tonnes, and are progressively deepening our cooperation. In particular, we are optimizing its procurement costs for key raw materials by leveraging our global sourcing capabilities and use of derivatives, with a targeted annual cost reduction of approximately 1% to 2%. In parallel, we are jointly developing the market for high value-added special steel products in East China, where we are responsible for market development, warehousing and logistics, as well as sales. Under this cooperation project, if our cooperation partner is unable to manufacture certain product specifications due to technical or cost constraints, we will procure such products from qualified third-party manufacturers to complement the manufacturer's product offerings. This enables us to expand the range of high value-added special steel products available to downstream customers and better meet their diverse procurement needs. In addition, where customers place low-volume orders with diverse specifications that are not economical for the manufacturer to produce individually, we will consolidate such fragmented orders through centralized order aggregation and specification integration to form standardized production batches. These efforts will enable us to better satisfy customers' diverse demand for high value-added special steel products and support our expansion in the high value-added special steel market in East China.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for working capital and general corporate purposes over the next three years.

We intend to use the net [**REDACTED**] from the [**REDACTED**] according to the timeframe as set out below, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Percentage of total net [REDACTED]	**Net [REDACTED] to be used in**			
		2026	**2027**	**2028**	**Total**
	(%)	*(HK$ in million)*			
The upgrade and expansion of our logistics networks	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Potential investment or acquisition opportunities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
The enhancement and expansion of our commodity portfolio	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing our digital and information technology capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deepening our cooperation with upstream and downstream partners	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**[100.0]**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the high end of the [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will increase to approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the low end of the [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**]. The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis or according to our business needs in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the [**REDACTED**] range stated in this document. Any additional [**REDACTED**] received by us from the exercise of the [**REDACTED**] will also be allocated to the above purposes on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such net [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

The following is the text of a report received from the Company's reporting accountants, [●], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU CIEC GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Hangzhou CIEC Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[●] to I-[●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the five months ended 31 May 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	*5*	252,132,435	270,629,944	270,479,007	109,458,806	110,492,986
Cost of sales		(249,948,109)	(268,730,800)	(268,757,519)	(109,350,725)	(108,365,303)
Gross profit		2,184,326	1,899,144	1,721,488	108,081	2,127,683
Other income and gains	*6*	1,687,132	2,512,687	3,039,757	2,213,961	473,329
Selling and distribution costs		(957,052)	(1,015,383)	(763,567)	(264,369)	(250,029)
Administrative expenses		(663,004)	(662,810)	(723,990)	(298,687)	(325,780)
Other expenses	*6*	(41,078)	(341,777)	(611,087)	(812,257)	(932,394)
Finance costs	*8*	(934,933)	(937,486)	(753,638)	(333,460)	(351,155)
Impairment losses under expected credit loss model, net of reversal		71,255	143,168	(159,671)	4,193	(54,396)
Share of profits of associates	*17*	80,337	64,440	52,814	18,462	46,334
PROFIT BEFORE TAX	*7*	1,426,983	1,661,983	1,802,106	635,924	733,592
Income tax	*11*	(394,660)	(230,965)	(367,535)	(111,535)	(179,482)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		1,032,323	1,431,018	1,434,571	524,389	554,110
Attributable to:						
Owners of the parent		776,518	948,843	1,042,710	370,887	542,405
Non-controlling interests		255,805	482,175	391,861	153,502	11,705
		1,032,323	1,431,018	1,434,571	524,389	554,110
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic (RMB)	*13*	0.23	0.28	0.30	0.11	0.15

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	2,864,832	2,765,098	3,291,929	3,324,538
Right-of-use assets	*15*	272,194	154,298	118,210	107,208
Intangible assets	*16*	10,690	7,576	6,647	4,945
Investments in associates	*17*	831,074	764,491	700,320	969,900
Prepayment for non-current assets	*20*	821	2,823	–	–
Financial assets at fair value through profit or loss	*21*	214,341	189,167	158,815	149,387
Deferred tax assets	*29*	797,566	1,350,795	1,385,659	1,447,468
Total non-current assets		4,991,518	5,234,248	5,661,580	6,003,446
CURRENT ASSETS					
Inventories	*18*	11,441,263	16,149,044	18,262,420	20,962,910
Trade and notes receivables	*19*	5,142,755	6,399,198	5,584,825	6,390,255
Prepayments, other receivables and other assets	*20*	13,748,287	15,469,602	20,800,497	24,000,703
Financial assets at fair value through profit or loss	*21*	261,996	411,573	1,168,397	3,989,723
Restricted cash	*22*	40,152	27,760	26,978	36,748
Pledged short-term deposits	*22*	6,304,581	4,502,287	3,496,749	4,674,729
Cash and cash equivalents	*22*	3,157,974	4,225,866	3,445,485	6,267,035
Derivative financial instruments	*26*	1,072,081	890,998	724,360	770,059
Total current assets		41,169,089	48,076,328	53,509,711	67,092,162
CURRENT LIABILITIES					
Lease liabilities	*15*	78,546	31,879	26,312	22,389
Trade and notes payables	*23*	7,218,507	7,784,394	6,928,439	8,069,182
Other payables, accruals and other current liabilities	*24*	3,898,505	5,489,018	4,173,413	4,687,879
Contract liabilities	*25*	4,954,060	6,312,779	7,498,509	10,917,530
Derivative financial instruments	*26*	924,143	682,283	1,573,874	444,239
Interest-bearing loans and other borrowings	*27*	19,010,339	21,687,052	25,638,321	34,824,584
Tax payable		230,494	510,276	278,416	247,253
Total current liabilities		36,314,594	42,497,681	46,117,284	59,213,056
NET CURRENT ASSETS		4,854,495	5,578,647	7,392,427	7,879,106
TOTAL ASSETS LESS CURRENT LIABILITIES		9,846,013	10,812,895	13,054,007	13,882,552

	Notes	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Lease liabilities	*15*	86,073	54,773	33,641	23,672
Interest-bearing loans and borrowings	*27*	460,196	488,300	440,000	440,000
Provision	*28*	80,533	209,166	18,600	40,525
Deferred tax liabilities	*29*	412	24,562	45,779	33,257
Total non-current liabilities		627,214	776,801	538,020	537,454
Net assets		9,218,799	10,036,094	12,515,987	13,345,098
EQUITY					
Share capital	*30*	3,387,453	3,387,453	3,387,453	3,387,453
Perpetual securities	*31*	–	–	2,300,000	2,800,000
Reserves	*32*	2,439,333	2,738,462	3,181,072	3,681,775
Equity attributable to owners of the parent		5,826,786	6,125,915	8,868,525	9,869,228
Non-controlling interests		3,392,013	3,910,179	3,647,462	3,475,870
Total equity		9,218,799	10,036,094	12,515,987	13,345,098

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent						
	Share capital	Capital reserve*	Statutory surplus reserve*	Retained earnings*	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	RMB'000 (note 30)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	3,387,453	497,319	517,109	1,395,557	5,797,438	1,851,872	7,649,310
Profit for the year	–	–	–	776,518	776,518	255,805	1,032,323
Total comprehensive income for the year	–	–	–	776,518	776,518	255,805	1,032,323
Profit appropriation to statutory surplus reserve	–	–	92,246	(92,246)	–	–	–
Dividends recognised as distributions	–	–	–	(747,272)	(747,272)	–	(747,272)
Capital contribution from non-controlling shareholders	–	–	–	–	–	1,598,641	1,598,641
Dividends declared to non-controlling shareholders	–	–	–	–	–	(255,846)	(255,846)
Purchase of additional interests in subsidiaries	–	102	–	–	102	(58,459)	(58,357)
At 31 December 2023	3,387,453	497,421	609,355	1,332,557	5,826,786	3,392,013	9,218,799

Year ended 31 December 2024

	Attributable to owners of the parent							
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**General reserve***	**Retained earnings***	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 30)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	3,387,453	497,421	609,355	–	1,332,557	5,826,786	3,392,013	9,218,799
Profit for the year	–	–	–	–	948,843	948,843	482,175	1,431,018
Total comprehensive income for the year	–	–	–	–	948,843	948,843	482,175	1,431,018
Profit appropriation to statutory surplus reserve	–	–	62,885	–	(62,885)	–	–	–
Dividends recognised as distributions	–	–	–	–	(649,714)	(649,714)	–	(649,714)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	225,088	225,088
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	(260,350)	(260,350)
Disposal of subsidiaries	–	–	–	–	–	–	(33,453)	(33,453)
Acquisition of subsidiaries	–	–	–	–	–	–	104,706	104,706
Profit appropriation to general reserve	–	–	–	94	(94)	–	–	–
At 31 December 2024	3,387,453	497,421	672,240	94	1,568,707	6,125,915	3,910,179	10,036,094

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**General reserve***	**Retained earnings***	**Perpetual securities**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 30)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,387,453	497,421	672,240	94	1,568,707	–	6,125,915	3,910,179	10,036,094
Profit for the year	–	–	–	–	1,042,710	–	1,042,710	391,861	1,434,571
Total comprehensive income for the year	–	–	–	–	1,042,710	–	1,042,710	391,861	1,434,571
Profit appropriation to statutory surplus reserve	–	–	66,920	–	(66,920)	–	–	–	–
Dividends recognised as distributions	–	–	–	–	(572,818)	–	(572,818)	–	(572,818)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	59,342	59,342
Withdrawal of capital to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(146,188)	(146,188)
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	(567,732)	(567,732)
Issuance of perpetual securities	–	(2,070)	–	–	–	2,300,000	2,297,930	–	2,297,930
Interest on perpetual securities recognised as distribution	–	–	–	–	(20,718)	–	(20,718)	–	(20,718)
Purchase of additional interests in subsidiaries	–	(4,494)	–	–	–	–	(4,494)	–	(4,494)
Utilization of general reserve	–	–	–	(94)	94	–	–	–	–
At 31 December 2025	3,387,453	490,857	739,160	–	1,951,055	2,300,000	8,868,525	3,647,462	12,515,987

Five months ended 31 May 2025

	Attributable to owners of the parent								
	Share capital	**Capital reserve**	**Statutory surplus reserve**	**General reserve**	**Retained earnings**	**Perpetual securities**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 30)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,387,453	497,421	672,240	94	1,568,707	–	6,125,915	3,910,179	10,036,094
Profit for the period (unaudited)	–	–	–	–	370,887	–	370,887	153,502	524,389
Total comprehensive income for the period (unaudited)	–	–	–	–	370,887	–	370,887	153,502	524,389
Profit appropriation to statutory surplus reserve (unaudited)	–	–	37,898	–	(37,898)	–	–	–	–
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	48,155	48,155
Dividends declared to non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	(344,225)	(344,225)
Others (unaudited)	–	–	–	(94)	94	–	–	–	–
At 31 May 2025 (unaudited)	3,387,453	497,421	710,138	–	1,901,790	–	6,496,802	3,767,611	10,264,413

Five months ended 31 May 2026

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**General reserve***	**Retained earnings***	**Perpetual securities**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 30)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	3,387,453	490,857	739,160	–	1,951,055	2,300,000	8,868,525	3,647,462	12,515,987
Profit for the period	–	–	–	–	542,405	–	542,405	11,705	554,110
Total comprehensive income for the period	–	–	–	–	542,405	–	542,405	11,705	554,110
Profit appropriation to statutory surplus reserve	–	–	16,687	–	(16,687)	–	–	–	–
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	29,400	29,400
Withdrawal of capital to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	(148,695)	(148,695)
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	(73,529)	(73,529)
Issuance of Perpetual securities	–	(580)	–	–	–	500,000	499,420	–	499,420
Interest on perpetual securities recognised as distribution	–	–	–	–	(41,122)	–	(41,122)	–	(41,122)
Acquisition of subsidiaries	–	–	–	–	–	–	–	9,527	9,527
At 31 May 2026	3,387,453	490,277	755,847	–	2,435,651	2,800,000	9,869,228	3,475,870	13,345,098

* These reserve accounts comprise the consolidated reserves of RMB2,439,333,000, RMB2,738,462,000, RMB3,181,072,000 and RMB3,681,775,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 May 2026.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		1,426,983	1,661,983	1,802,106	635,924	733,592
Adjustments for:						
Share of net profits of associates	*17*	(80,337)	(64,440)	(52,814)	(18,462)	(46,334)
Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets		271,681	220,013	170,366	81,248	101,223
Loss/(gain) from financial assets at fair value through profit or loss		(105,828)	(89,477)	(313,104)	(34,859)	125,639
Unrealised gain or loss from derivative financial instruments not designated for hedge accounting		(1,337,479)	380,544	(1,239,503)	(11,808)	(740,883)
Unrealised gain or loss on fair value hedge of commodity firm commitments and inventories		9,107	800,793	(221,532)	214,653	(123,156)
Impairment/(reversal of impairment) of trade and notes receivables		(68,025)	(193,956)	152,921	(5,795)	50,682
Impairment/(reversal of impairment) of prepayments, other receivables and other assets		(3,230)	50,788	6,750	1,602	3,714
Provision for impairment of inventories	*7*	488,302	531,851	722,022	1,316,737	477,240
Loss/(gain) on onerous contracts		(414,138)	141,558	(190,566)	(209,166)	21,925
Gain on acquisition of a subsidiary		(99)	(1,061)	–	–	(2,692)
Gain on disposal of a subsidiary		–	(215)	–	–	–
Loss/(gain) on disposal of items of property, plant and equipment and intangible assets		(1,713)	82,556	119,397	107,408	(731)
Loss/(gain) on lease modifications and early termination		6,361	(1,429)	7,779	–	(3,530)
Interest expense		934,933	937,486	753,638	333,460	351,155
		1,126,518	4,456,994	1,717,460	2,410,942	947,844

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Decrease/(increase) in trade and notes receivables		2,715,939	(817,375)	661,452	(539,374)	(856,112)
Decrease/(increase) in prepayments, other receivables and other assets		1,796,239	(1,680,522)	(4,340,995)	(2,642,781)	(2,892,692)
Increase in inventories		(1,724,971)	(4,272,904)	(2,427,695)	(3,683,769)	(3,413,622)
Decrease/(increase) in restricted cash		–	12,392	782	(28,217)	(9,770)
Increase in pledged short-term deposits		(944,814)	(124,133)	(348,471)	(1,473,369)	(577,205)
Increase/(decrease) in trade and notes payables		(1,599,378)	4,013	(855,955)	5,201,899	1,109,061
Increase/(decrease) in contract liabilities		(998,433)	799,096	1,185,730	3,728,722	3,412,501
Increase in other payables, accruals and other current liabilities		451,225	260,794	237,619	71,159	266,400
Decrease in provision		–	(24,080)	–	–	–
Cash generated from/(used in) operations		822,325	(1,385,725)	(4,170,073)	3,045,212	(2,013,595)
Income tax paid		(704,784)	(490,654)	(651,654)	(526,416)	(254,881)
Net cash flows generated from/(used in) operating activities		117,541	(1,876,379)	(4,821,727)	2,518,796	(2,268,476)

	Note	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment and intangible assets		(53,075)	(60,130)	(885,032)	(5,507)	(214,326)
Purchases of financial assets at fair value through profit or loss		(211,228)	(169,890)	(839,170)	(1,883,616)	(3,467,266)
Proceeds from disposals of financial assets at fair value through profit or loss		118,066	155,275	340,950	149,242	634,011
Proceeds from disposal of property, plant and equipment and intangible assets		150,033	35,342	185,146	30,643	98,937
Acquisition of subsidiaries		20,829	45,724	–	–	1,789
Withdrawal of investments in associates		–	–	101,433	57,600	22,050
Purchases of shareholdings in associates		(106,500)	(133,237)	(37,840)	(4,900)	(254,960)
Dividends received from associates		20,919	87,124	53,392	20,402	9,664
Proceeds from disposal of a subsidiary		–	35,033	–	–	–
Net cash flows used in investing activities		(60,956)	(4,759)	(1,081,121)	(1,636,136)	(3,170,101)
CASH FLOWS FROM FINANCING ACTIVITIES						
New interest-bearing loans and other borrowings		65,370,281	64,175,902	62,603,002	23,253,929	34,710,809
Repayment of interest-bearing loans and other borrowings		(61,067,991)	(62,015,294)	(58,713,901)	(20,213,017)	(25,531,639)
Interest paid		(869,409)	(767,396)	(721,530)	(305,156)	(343,142)
Proceeds from issuance of perpetual securities		–	–	2,300,000	–	500,000
Payment of issuance fee of perpetual securities		–	–	(2,070)	–	(580)
Lease payments		(217,965)	(88,785)	(44,480)	(16,188)	(15,220)

	Note	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Placement in pledged short-term deposits		(8,531,520)	(5,997,491)	(10,621,932)	(6,393,470)	(5,669,436)
Proceeds from maturity in pledged short-term deposits		5,104,549	8,343,422	11,625,294	7,461,116	5,068,661
Purchase of additional interests in subsidiaries		(58,459)	–	(4,494)	–	–
Dividends paid to non-controlling interests		(206,846)	(309,350)	(454,131)	(319,725)	(187,130)
Dividends paid to shareholders		(747,272)	(649,714)	(572,818)	–	–
Loan from related parties		10,350,000	12,740,000	8,200,000	3,200,000	2,000,000
Repayment of loans from related parties		(10,350,000)	(12,740,000)	(8,200,000)	(3,200,000)	(2,000,000)
Capital contribution from non-controlling shareholders		1,560,056	274,039	59,342	48,155	29,400
Withdrawal of investments by non-controlling shareholders		–	(49,000)	(146,188)	–	(148,695)
Payment for [**REDACTED**]		–	–	[**REDACTED**]	–	[**REDACTED**]
Net cash flows generated from financing activities		335,424	2,916,333	5,305,094	3,515,644	8,411,627
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		392,009	1,035,195	(597,754)	4,398,304	2,973,050
Net foreign exchange difference		53,945	32,697	(182,627)	(112,006)	(151,500)
Cash and cash equivalents at beginning of year/period		2,712,020	3,157,974	4,225,866	4,225,866	3,445,485
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*22*	3,157,974	4,225,866	3,445,485	8,512,164	6,267,035

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	248,657	240,564	890,996	891,216
Right-of-use assets	*15*	26,538	15,010	6,144	5,116
Intangible assets	*16*	4,859	2,772	4,043	3,269
Investments in associates	*17*	671,420	615,352	632,306	890,202
Prepayment for non-current assets	*20*	659	1,214	–	–
Investments in subsidiaries	*1*	5,458,419	6,077,975	6,537,965	6,545,978
Financial assets at fair value through profit or loss	*21*	127,346	117,064	97,810	96,324
Deferred tax assets	*29*	143,438	411,296	348,629	340,049
Total non-current assets		6,681,336	7,481,247	8,517,893	8,772,154
CURRENT ASSETS					
Inventories	*18*	4,505,619	6,405,426	6,892,257	7,695,147
Trade and notes receivables	*19*	2,420,901	4,016,460	1,973,227	1,747,795
Prepayments, other receivables and other assets	*20*	9,232,864	8,830,198	16,195,749	19,140,238
Financial assets at fair value through profit or loss	*21*	19,994	–	–	1,340,180
Restricted cash	*22*	16,072	16,072	9	9
Pledged short-term deposits	*22*	3,699,859	2,757,207	2,251,077	2,999,717
Cash and cash equivalents	*22*	1,463,562	1,654,019	2,160,228	3,409,144
Derivative financial instruments	*26*	52,159	159,921	106,352	215,035
Total current assets		21,411,030	23,839,303	29,578,899	36,547,265
CURRENT LIABILITIES					
Lease liabilities	*15*	11,570	7,282	4,118	4,316
Trade and notes payables	*23*	9,522,656	10,464,296	11,201,152	13,570,274
Other payables, accruals and other current liabilities	*24*	3,413,088	3,842,153	3,868,273	4,083,390
Contract liabilities	*25*	2,774,131	3,692,051	4,865,556	4,538,860
Derivative financial instruments	*26*	78,801	12,455	118,791	25,180
Interest-bearing loans and other borrowings	*27*	6,131,400	6,937,245	9,448,601	13,899,864
Tax payable		–	31,758	29,386	10,288
Total current liabilities		21,931,646	24,987,240	29,535,877	36,132,172
NET CURRENT (LIABILITIES)/ASSETS		(520,616)	(1,147,937)	43,022	415,093
TOTAL ASSETS LESS CURRENT LIABILITIES		6,160,720	6,333,310	8,560,915	9,187,247

	Notes	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Lease liabilities	*15*	11,130	3,541	–	683
Interest-bearing loans and borrowings	*27*	460,000	488,300	440,000	440,000
Provision	*28*	226	170,671	1,500	2,001
Deferred tax liabilities	*29*	–	2,300	824	809
Total non-current liabilities		471,356	664,812	442,324	443,493
Net assets		5,689,364	5,668,498	8,118,591	8,743,754
EQUITY					
Share capital	*30*	3,387,453	3,387,453	3,387,453	3,387,453
Perpetual securities	*31*	–	–	2,300,000	2,800,000
Reserves	*32*	2,301,911	2,281,045	2,431,138	2,556,301
Total equity		5,689,364	5,668,498	8,118,591	8,743,754

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in Hangzhou, Zhejiang, People's Republic of China (the "PRC") on 23 March 2001. The registered office address of the Company is No. 167, Huancheng North Road, Hangzhou, Zhejiang, the People's Republic of China (the "PRC").

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the commodity trading.

In the opinion of the directors of the Company, the controlling shareholder of the Company is Hangzhou Industrial Investment Group Co., Ltd. (杭州市實業投資集團有限公司). Hangzhou Industrial Investment Group Co., Ltd. is a wholly state-owned limited liability company established under the laws of the PRC on 13 November, 2001.

As at the date of this report, the particulars of the Company's principal subsidiaries are set out below:

Company name	Place and date of registration and place of operations	Nominal value of issued ordinary/register share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		'000			
Honors Commodity Co., Ltd. (杭實國貿投資(杭州)有限公司) (note)*	PRC/Chinese mainland 9 March 2017	RMB1,000,000	100.00%	–	Commodity trading
Zhejiang Four Bung Industrial Co., Ltd. (浙江四邦實業有限公司) (note)	PRC/Chinese mainland 21 August 2018	RMB550,000	–	51.00%	Commodity trading
Honors Commodity Hong Kong Company Limited (杭實國貿香港有限公司) (note)	Hong Kong 11 July 2017	RMB63,500	100.00%	–	Commodity trading
Hangzhou Cogeneration (Hong Kong) Co., Limited (杭州熱聯(香港)有限公司) (note)	Hong Kong 31 May 2005	RMB203,424	100.00%	–	Commodity trading
Singapore (Cogeneration) Steel Pte. Ltd. (新加坡(熱聯)鋼鐵有限公司) (note)	Singapore 23 December 2009	USD24,800	100.00%	–	Commodity trading
Four Bung Industries Limited (四邦實業有限公司) (note)	Hong Kong 16 August 2004	HKD2,000	51.00%	–	Commodity trading
Zhejiang Honors Chemical Co ., Ltd. (浙江杭實化工有限公司) (note)	PRC/Chinese mainland 12 November 2019	RMB50,000	–	51.00%	Commodity trading
Honors Commodity Singapore Pte. Ltd. (杭實國貿新加坡有限公司) (note)	Singapore 24 August 2018	RMB133,000	100.00%	–	Commodity trading
Zhejiang Honors Shancheng Industrial Co., Ltd. (浙江杭實善成實業有限公司) (note)*	PRC/Chinese mainland 6 June 2017	RMB200,000	51.00%	–	Commodity trading

Company name	Place and date of registration and place of operations	Nominal value of issued ordinary/register share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		'000			
Hangzhou CIEC Hanjia Trading Co., Ltd. (杭州熱聯漢佳商貿有限公司) (note)*	PRC/Chinese mainland 27 December 2013	RMB81,831	100.00%	–	Commodity trading
Hangzhou CIEC Anzhi Technology Co., Ltd. (杭州熱聯安智科技服務有限公司) (note)*	PRC/Chinese mainland 8 February 2021	RMB1,582,174	51.00%	–	Leasing and commodity trading
Zhejiang Hanglian Steel Co. Ltd. (浙江杭聯鋼鐵有限公司) (note)*	PRC/Chinese mainland 10 July 2006	RMB80,000	100.00%	–	Commodity trading
Shanghai CIEC Iron and Steel Trade Co. Ltd. (上海熱聯鋼鐵貿易有限公司) (note)*	PRC/Chinese mainland 13 March 2009	RMB56,750	100.00%	–	Commodity trading

Note:

The statutory financial statements of these entities for the year ended 31 December 2023 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Lixin Zhonglian Certified Public Accountants LLP ("立信中聯會計師事務所(特殊普通合夥)"), certified public accountants registered in the PRC.

The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Beijing Xinghua Certified Public Accountants LLP ("北京興華會計師事務所(特殊普通合夥)"), certified public accountants registered in the PRC.

No audited financial statements have been prepared for these entities for the five months ended 31 May 2026.

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group.

The Company

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries	5,458,419	6,077,975	6,537,965	6,545,978
Provision for impairment	–	–	–	–
Total	5,458,419	6,077,975	6,537,965	6,545,978

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for derivative financial instruments, debt instruments at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]

1 Effective for annual/reporting periods beginning on or after 1 January 2027

2 No mandatory effective date yet determined but available for adoption

3 Effective for annual/reporting periods beginning on 1 January 2029

The Group is in the process of making a detailed assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended HKFRS Accounting Standards, except for IHKFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of HKFRS 18 on the Group's financial information.

2.3 Material Accounting Policy Information

Investments in associates

An associate is an entity in which the Group has a long-term interest and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Fair value measurement

The Group measures derivative financial instruments, debt instruments at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group;

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The useful life and residual rates used for this purpose are as follows:

Buildings	20 to 50 years	5%
Machinery and equipment	5 to 10 years	5%
Motor vehicles	4 to 10 years	5%
Computer and office equipment	3 to 10 years	5%
Operating lease assets	5 or 20 years	20% or 30%
Leasehold improvements	3 to 5 years	0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Software	2 to 10 years

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Buildings	2 to 10 years
Plant and machinery	2 to 4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Trade receivables containing provisional pricing features are exposed to future movements in market prices, which have contractual cash flow characteristics that are not solely payments of principal and interest and are therefore measured at fair value through profit or loss. This requires an assessment of the exposure of the underlying trade receivable to future movements in market prices at the date of initial recognition of such receivable. For those receivables that are not exposed to future movements in market prices, a further assessment of the business model for managing the receivables is required to determine the appropriate classification and measurement. The business model pertaining to those receivables that do not contain provisional pricing features is to hold the assets to collect the contractual cash flows and as such, these financial assets are classified as at "amortised cost".

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Standard warehouse receipts

If the Group frequently enters into contracts to purchase and sell standard warehouse receipts for the purpose of generate a profit from short-term fluctuation in price without taking delivery or picking up the underlying commodities, such contracts for buying and selling standard warehouse receipts are not entered into for the purpose of receipt or delivery non-financial items in accordance with the entity's expected purchase, sales, or usage requirements and accordingly accounted for as financial instruments. Standard warehouse receipts held by the Group at the end of the reporting period are measured at fair value with gain or loss recognised as other income and gains and other expenses.

If the Group enters into contracts to purchase and sell standard warehouse receipts for the purpose of receipt or delivery non-financial items in accordance with the entity's expected purchase, sales, or usage requirements, such contracts will take delivery or pick up the underlying commodities and accordingly recognised as inventories.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, other payables, other current liabilities, interest-bearing loans and other borrowings and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign currency forward, foreign currency options, forward currency futures, commodity futures and commodity options in the daily operation. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other gains or other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in profit or loss as other gains or other expenses.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss as other gains or other expenses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the individual or weighted average basis, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on customers' acceptance of the products upon delivery.

Variable consideration

The Group has certain sales where the contract terms for the Group's certain products sales allow for a price adjustment based on a final assay of the goods determined after discharge. The Group assesses such pricing to be a variable consideration and recognises revenue at a most likely amount. The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of products with price adjustment, given that supplier is capable to provide the weight and inspection results at the port of loading. This amount is based on the most recently determined estimate of product assays. The Group applies judgement regarding the likelihood of significant reversals to ensure that revenue is only recognised to the extent that it is highly probable that significant reversal will not occur. Any adjustments to the final price are recognised as revenue.

Contracts with provisional pricing terms

For certain commodities, the sales price is determined on a provisional basis at the date of sales as the final selling price is subjected to movements in benchmark marketing prices up to the date of final pricing, normally ranging from 30 days to 90 days after initial booking (provisionally price sales). Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sale arrangements has the character of a commodity derivative. The fair value of final sales adjustment is re-estimated continuously and change in fair value are presented as an adjustment to revenue.

(b) Rendering of services

The services rendered include supply chain services and consulting services, etc. Should any of the following conditions be satisfied, the services provided by the Group are performance obligations fulfilled within a certain period of time. The Group's recognises revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) the customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) the customer is able to control the products under construction during the Group's performance; and (3) the Group's products have no alternative uses, and the Group have the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group's recognise revenue at the point the customer obtains control of the relevant services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract. (i.e., transfers control of the related goods or services to the customer).

Other employee benefits

Pension scheme

The employees of the Company and the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and the subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Where the employee benefit costs are paid by the shareholders or related parties, such costs are only recorded by the Group to the extent that the Group is liable to settle.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The financial information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of all overseas subsidiaries are RMB.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Gross versus net revenue recognition

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as a principal or an agent in the transaction. If the Group is acting as a principal in a transaction, the Group reports revenue on a gross basis. If the Group is acting as an agent in a transaction, the Group reports revenue on a net basis. The determination of whether the Group is acting as a principal or an agent in a transaction involves judgement and is based on an evaluation of the terms of the arrangement. The Group is considered a principal if it controls a promised good or service before transferring that good or service to the customer. The Group considers several factors to determine if it controls the good or service and therefore is the principal. These factors include: (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified good or service; (b) whether the Group has inventory risk before the specified good or service has been transferred to a customer or after the transfer of control to the customer; and (c) whether the Group has discretion in establishing price for the specified good or service.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Onerous contract

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type, and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and note receivables is disclosed in note 19 to the financial statements.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made for those identified obsolete and slow-moving inventories and inventories with a carrying amount higher than net realisable value. The assessment of the provision required involves management's judgement and estimates on which are influenced by assumptions concerning future sales and usage and judgements in determining the appropriate level of inventory provisions against identified surplus or obsolete items. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that includes primarily the commodity trading. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese mainland	207,704,586	238,766,715	226,624,519	93,406,679	94,248,472
Other countries/regions	44,427,849	31,863,229	43,854,488	16,052,127	16,244,514
Total	252,132,435	270,629,944	270,479,007	109,458,806	110,492,986

(b) Non-current assets

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chinese mainland	3,926,695	3,470,162	3,580,094	3,687,805
Other countries/regions	52,916	224,124	537,012	718,786
Total	3,979,611	3,694,286	4,117,106	4,406,591

The non-current asset information of the operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No revenue from the Group's sales to a single customer accounted for 10% or more of the Group's revenue during the Relevant Periods and the five months ended 31 May 2025.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers	251,413,992	270,249,214	270,192,081	109,357,725	110,351,960
Revenue from other sources					
Rental income	718,443	380,730	286,926	101,081	141,026
Total	252,132,435	270,629,944	270,479,007	109,458,806	110,492,986

Revenue from contracts with customers

(a) Disaggregated revenue information

Types of goods or services

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sales of commodities	250,481,984	269,788,789	269,823,448	109,228,164	110,242,474
Others	932,008	460,425	368,633	129,561	109,486
Total	251,413,992	270,249,214	270,192,081	109,357,725	110,351,960

Timing of revenue recognition

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
At a point in time	251,335,126	269,965,106	269,862,299	109,235,839	110,248,977
Over time	78,866	284,108	329,782	121,886	102,983
Total	251,413,992	270,249,214	270,192,081	109,357,725	110,351,960

The following table shows the amounts of revenue recognised in the Relevant Periods and the five months ended 31 May 2025, that were included in the contract liabilities at the beginning of each of the Relevant Periods and the five months ended 31 May 2025, and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting year/period	5,952,493	4,954,060	6,312,779	5,685,303	7,111,465

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation satisfied upon the transfer of control of the asset to the customer, generally on customers' acceptance of the products upon delivery or upon the acceptance of goods by customers. Payment is generally made before goods delivery, except for certain customers where payment is due within 180 days from goods delivery.

As at the end of the reporting period, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

6. OTHER INCOME AND GAINS AND OTHER EXPENSES

	Note	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income						
Interest income		368,536	280,970	205,759	97,609	55,992
Government grants*		79,584	84,736	181,584	49,761	10,495
Investment income from disposal of financial assets measured at fair value through profit or loss		34,471	77,095	182,228	15,376	156,990
Compensation income		155,595	64,281	75,095	26,669	3,925
Dividends from unlisted equity investments measured at fair value through profit or loss		1,826	3,555	2,382	417	11,514
Dividends from financial assets measured at fair value through profit or loss		9,010	648	6,553	142	–
Investment income from disposal of unlisted equity investments designated at fair value through profit or loss		–	–	14,683	–	–
Others		32,007	17,625	6,826	4,199	4,520
Total other income		681,029	528,910	675,110	194,173	243,436
Gains						
Net gains on fair value hedge of commodity firm commitments and inventories	*41*	–	–	261,814	–	218,868
Net gains from derivative financial instruments not designated for hedge accounting		889,899	1,962,774	2,079,003	2,000,864	–

	Note	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net gains from changes in fair value of unlisted equity investments measured at fair value through profit or loss		39,894	6,973	4,924	4,479	–
Net gains from changes in fair value of financial assets measured at fair value through profit or loss		21,315	8,218	18,906	14,445	–
Net gains from standard warehouse receipt trading		9,306	–	–	–	10,294
Foreign exchange gains, net		43,976	3,198	–	–	–
Gain on disposal of property, plant and equipment and intangible assets		1,713	2,614	–	–	731
Total gains		1,006,103	1,983,777	2,364,647	2,019,788	229,893
Total other income and gains		1,687,132	2,512,687	3,039,757	2,213,961	473,329
Other expenses						
Net loss on fair value hedge of commodity firm commitments and inventories	*41*	(9,107)	(178,557)	–	(338,631)	–
Net loss on derivative financial instruments not designated for hedge accounting		–	–	–	–	(583,595)
Loss on disposal of property, plant and equipment and intangible assets		–	(85,170)	(119,397)	(107,408)	–
Compensation expense		(29,888)	(15,175)	(23,352)	(8,555)	(7,393)
Loss on disposal of unlisted equity investments measured at fair value through profit or loss		(688)	(7,012)	–	–	–
Net loss on standard warehouse receipt trading		–	(45,121)	(277,978)	(245,878)	–
Foreign exchange losses, net		–	–	(170,512)	(110,832)	(151,500)
Net loss on changes in fair value of unlisted equity investments measured at fair value through profit or loss		–	–	–	–	(9,428)
Net loss on changes in fair value of financial assets measured at fair value through profit or loss		–	–	–	–	(180,433)
Others		(1,395)	(10,742)	(19,848)	(953)	(45)
Total other expenses		(41,078)	(341,777)	(611,087)	(812,257)	(932,394)

Note:

* The government grants related to income are rewards for the contribution to the local economic growth. These grants related to income are recognised in receipt. There are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of commodity trading*		248,660,231	268,036,780	268,242,601	109,154,661	108,165,239
Depreciation of property, plant and equipment	*14*	199,174	167,921	122,941	54,352	85,110
Depreciation of right-of-use assets	*15*	66,764	48,260	42,729	24,159	14,940
Amortisation of intangible assets	*16*	5,743	3,832	4,696	2,737	1,173
Employee benefit expense (excluding directors' and chief executive's remuneration as set out in note 9):						
Salaries, bonuses, allowances and benefits in kind		931,436	908,997	648,083	226,127	228,053
Pension scheme contributions, social welfare and other welfare**		67,020	74,093	79,770	32,511	41,282
Foreign exchange losses/(gains), net	*6*	(43,976)	(3,198)	170,512	110,832	151,500
Expense relating to short-term leases		22,203	21,582	27,261	11,231	14,196
Government grants	*6*	(79,584)	(84,736)	(181,584)	(49,761)	(10,495)
Interest income	*6*	(368,536)	(280,970)	(205,759)	(97,609)	(55,992)
Provision for impairment of inventories		488,302	531,851	722,022	1,316,737	477,240
Loss on disposal of property, plant and equipment and intangible assets	*6*	–	85,170	119,397	107,408	–
Impairment losses under expected credit loss model, net of reversal		(71,255)	(143,168)	159,671	(4,193)	54,396
Interest on bank and other borrowings	*8*	909,466	916,326	735,398	331,674	350,235
Gain on disposal of property, plant and equipment and intangible assets	*6*	(1,713)	(2,614)	–	–	(731)
Net losses/(gains) from derivative financial instruments not designated for hedge accounting	*6*	(889,899)	(1,962,774)	(2,079,003)	(2,000,864)	583,595
Net losses/(gains) on fair value hedge of commodity firm commitments and inventories	*6*	9,107	178,557	(261,814)	338,631	(218,868)
Net losses/(gains) from standard warehouse receipt trading	*6*	(9,306)	45,121	277,978	245,878	(10,294)
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

* The amounts disclosed for cost of commodity trading include the provision for impairment of inventories.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on bank and other borrowings	909,466	916,326	735,398	331,674	350,235
Interest on lease liabilities	10,738	5,851	3,361	1,786	920
Others	14,729	15,309	14,879	–	–
Total	934,933	937,486	753,638	333,460	351,155

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Details of the emoluments paid or payable to the directors and the chief executive of the Company for the services provided to the Group during the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	4,161	3,883	4,398	1,570	1,791
Pension scheme contributions	37	47	71	25	33
Total	4,198	3,930	4,469	1,595	1,824

(a) Independent non-executive director

The fees paid to independent non-executive director during the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Mr. Yang Yongming	–	–	–	–	–

Mr. Yang Yongming was appointed as an independent non-executive director in January 2022.

There were no other emoluments payable to the independent non-executive director during the Relevant Periods and the five months ended 31 May 2025.

(b) Executive directors and non-executive directors

	Notes	Year ended 31 December 2023		
		Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*
Executive director:				
Mr. Lyu Yonghong	*(i)*	4,161	37	4,198
Non-executive directors:				
Mr. Shi Jianjun	*(ii)*	–	–	–
Mr. Zhang Yunchun	*(iii)*	–	–	–
Total		4,161	37	4,198

	Notes	Year ended 31 December 2024		
		Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*
Executive director:				
Mr. Lyu Yonghong	*(i)*	3,883	47	3,930
Non-executive directors:				
Mr. Shi Jianjun	*(ii)*	–	–	–
Mr. Zhang Yunchun	*(iii)*	–	–	–
Total		3,883	47	3,930

	Notes	Year ended 31 December 2025		
		Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*
Executive director:				
Mr. Lyu Yonghong	*(i)*	3,880	49	3,929
Non-executive directors:				
Mr. Shi Jianjun	*(ii)*	–	–	–
Mr. Zhang Yunchun	*(iii)*	–	–	–
Ms. Lu Min	*(iv)*	–	–	–
Dr. Fang Xu	*(v)*	–	–	–
Ms. Wang Wenjun	*(vi)*	518	22	540
Total		4,398	71	4,469

	Notes	Five months ended 31 May 2025		
		Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total
		RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Executive director:				
Mr. Lyu Yonghong	*(i)*	1,484	20	1,504
Non-executive directors:				
Mr. Shi Jianjun	*(ii)*	–	–	–
Mr. Zhang Yunchun	*(iii)*	–	–	–
Ms. Lu Min	*(iv)*	–	–	–
Dr. Fang Xu	*(v)*	–	–	–
Ms. Wang Wenjun	*(vi)*	86	5	91
Total		1,570	25	1,595

	Notes	Five months ended 31 May 2026		
		Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total
		RMB'000	*RMB'000*	*RMB'000*
Executive director:				
Mr. Lyu Yonghong	*(i)*	1,457	21	1,478
Non-executive directors:				
Mr. Shi Jianjun	*(ii)*	–	–	–
Mr. Zhang Yunchun	*(iii)*	–	–	–
Ms. Lu Min	*(iv)*	–	–	–
Dr. Fang Xu	*(v)*	–	–	–
Ms. Wang Wenjun	*(vi)*	334	12	346
Total		1,791	33	1,824

Notes:

(i) Mr. Lyu Yonghong was appointed as an executive director and the president of the Company in May 2015 and December 2015, respectively.

(ii) Mr. Shi Jianjun was appointed as a non-executive director in January 2022.

(iii) Mr. Zhang Yunchun was appointed as a non-executive director in January 2022.

(iv) Ms. Lu Min was appointed as a non-executive director in March 2025.

(v) Dr. Fang Xu was appointed as a non-executive director in April 2025.

(vi) Ms. Wang Wenjun was appointed as a non-executive director in April 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 included one, one, one, one and one director, respectively, details of whose remuneration are set out in note 9 above. Details of the remaining four highest paid employees who were not directors of the Group during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	13,895	14,035	15,017	6,238	6,305
Pension scheme contributions, social welfare and other welfare	128	102	117	49	52
Total	14,023	14,137	15,134	6,287	6,357

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
				(unaudited)	
HK$1,500,001 to HK$2,000,000	–	–	–	4	4
HK$2,500,001 to HK$3,000,000	3	–	–	–	–
HK$3,000,001 to HK$3,500,000	–	4	1	–	–
HK$3,500,001 to HK$4,000,000	–	–	3	–	–
HK$4,000,001 to HK$4,500,000	1	–	–	–	–
Total	4	4	4	4	4

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Enterprise Income Tax Law, which was approved and became effective on 1 January 2008, except for the Company and certain of the Group's PRC subsidiaries which are granted tax concession and are taxed at preferential tax rates.

Pursuant to Caishui [2023] No. 12 "Announcement on the Income Tax Preferential Policies for Small low-profit Enterprises and Self-employed Businesses" (關於進一步支援小微企業和個體工商戶發展有關稅費政策的公告), certain of the Group's PRC subsidiaries were qualified for small low-profit enterprises and entitled to a preferential income tax rate of 20% applied to 25% of their taxable income generally not exceeding RMB3,000,000 during the Relevant Periods.

Pursuant to Jingweifa [2017] No. 13 "Several Opinions of the CPC Jingning She Autonomous County Committee and the People's Government of Jingning She Autonomous County on Accelerating the Development of Headquarters Economy" (中共景寧畲族自治縣委景寧畲族自治縣人民政府關於加快總部經濟發展的若干意見), certain of the Group's subsidiaries were exempted from the local portion of the enterprise income tax (i.e., 40% of the statutory rate) from 19 April 2017.

Hong Kong

The subsidiary incorporated in Hong Kong was subject to income tax under the two-tiered profits tax rates regime on the estimated assessable profits arising in Hong Kong during the Relevant Periods. The first HKD2.0 million of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Singapore

Pursuant to the rules and regulations of Singapore, the subsidiary of the Group in Singapore is subject to 17% of their taxable income.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception from recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current income tax when incurred. Pillar Two legislation has been enacted or substantially enacted and in effect as at 31 May 2026 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group during the five months ended 31 May 2026. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for most of the jurisdictions in which the Group operates. As such, the Group does not expect to have any material Pillar Two exposure. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current – Chinese mainland	201,375	538,707	287,431	215,674	144,306
Current – Elsewhere	77,176	163,439	93,751	19,696	109,507
Deferred	116,109	(471,181)	(13,647)	(123,835)	(74,331)
Total tax charge for the year/period	394,660	230,965	367,535	111,535	179,482

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before income tax	1,426,983	1,661,983	1,802,106	635,924	733,592
Tax at the income tax rate of 25%	356,746	415,496	450,527	158,981	183,398
Effect of preferential income tax rates applicable to subsidiaries	(74,837)	(77,201)	1,220	(23,384)	8,563
Effect of tax rate differences in other jurisdictions	(35,379)	(87,756)	(19,558)	(8,863)	(70,252)
Expenses not deductible for tax	29,182	19,432	21,967	8,070	10,938
Income not subject to tax	(33,151)	(25,399)	(53,852)	(6,533)	(14,542)
Recognition of deferred tax assets on tax losses and deductible temporary differences previously not recognised	(2,353)	(72,549)	(6,726)	(8,405)	(8,598)
Adjustments in respect of current income tax of previous periods	32,905	24,821	16,731	(8,331)	13,055
Effect of withholding tax on the distributable profit of foreign subsidiaries of the Company	121,547	31,757	29,386	–	–
Reversal of deferred tax assets on tax losses and deductible temporary differences previously recognised	–	–	–	–	56,920
Effect on opening deferred tax of change in rates	–	2,364	(72,160)	–	–
Total tax charge for the year/period	394,660	230,965	367,535	111,535	179,482

12. DIVIDENDS

On 28 November 2023, a dividend of RMB0.2206 per share, amounting to a total of approximately RMB747,272,000, was declared in the general meeting. The dividend was fully paid as at 29 December 2023.

On 18 November 2024, a dividend of RMB0.1918 per share, amounting to a total of approximately RMB649,714,000, was declared in the general meeting. The dividend was fully paid as at 19 December 2024.

On 20 November 2025, a dividend of RMB0.1691 per share, amounting to a total of approximately RMB572,818,000, was declared in the general meeting. The dividend was fully paid as at 29 December 2025.

No dividends were declared by the Company during the five months ended 31 May, 2025 and 2026.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods and the five months ended 31 May 2025.

The Group had no potentially dilutive ordinary shares outstanding during the Relevant Periods and the five months ended 31 May 2025.

The calculations of basic earnings per share are based on:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Earnings					
Profit attributable to owners of the parent	776,518	948,843	1,042,710	370,887	542,405
Less: Net profit attributable to other equity instruments holders	–	–	20,718	–	19,864
Net profit attributable to ordinary shareholders	776,518	948,843	1,021,992	370,887	522,541
Basic earnings per share (RMB)	0.23	0.28	0.30	0.11	0.15

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
				(unaudited)	
Shares					
Weighted average number of ordinary shares used in the basic earnings per share calculation ('000)	3,387,453	3,387,453	3,387,453	3,387,453	3,387,453

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	365,283	82,300	17,865	31,056	2,971,093	39,367	3,099	3,510,063
Accumulated depreciation	(86,835)	(11,460)	(11,989)	(21,390)	(197,956)	(12,084)	–	(341,714)
Accumulated impairment	–	–	–	–	(223,566)	–	–	(223,566)
Net carrying amount	278,448	70,840	5,876	9,666	2,549,571	27,283	3,099	2,944,783
At 1 January 2023, net of accumulated depreciation and impairment	278,448	70,840	5,876	9,666	2,549,571	27,283	3,099	2,944,783
Additions	–	825	927	4,489	126,469	11,570	1,587	145,867
Acquisition of a subsidiary	–	–	–	137	–	74	–	211
Transfer	–	2,806	6	35	–	–	(4,157)	(1,310)
Depreciation provided during the year	(11,351)	(8,969)	(2,275)	(4,346)	(155,900)	(16,333)	–	(199,174)
Disposals	(328)	–	(430)	(996)	(23,791)	–	–	(25,545)
At 31 December 2023, net of accumulated depreciation and impairment	266,769	65,502	4,104	8,985	2,496,349	22,594	529	2,864,832
At 31 December 2023:								
Cost	364,955	85,931	17,199	33,281	3,079,790	38,927	529	3,620,612
Accumulated depreciation	(98,186)	(20,429)	(13,095)	(24,296)	(360,034)	(16,333)	–	(532,373)
Accumulated impairment	–	–	–	–	(223,407)	–	–	(223,407)
Net carrying amount	266,769	65,502	4,104	8,985	2,496,349	22,594	529	2,864,832

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating Lease Assets	Leasehold Improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
At 1 January 2024:								
Cost	364,955	85,931	17,199	33,281	3,079,790	38,927	529	3,620,612
Accumulated depreciation	(98,186)	(20,429)	(13,095)	(24,296)	(360,034)	(16,333)	–	(532,373)
Accumulated impairment	–	–	–	–	(223,407)	–	–	(223,407)
Net carrying amount	266,769	65,502	4,104	8,985	2,496,349	22,594	529	2,864,832
At 1 January 2024, net of accumulated depreciation and impairment	266,769	65,502	4,104	8,985	2,496,349	22,594	529	2,864,832
Additions	–	1	626	1,692	150,034	5,194	–	157,547
Acquisition of a subsidiary	–	58	876	413	–	714	–	2,061
Transfer	–	–	–	–	–	–	(529)	(529)
Depreciation provided during the year	(11,384)	(8,513)	(1,856)	(3,539)	(131,028)	(11,601)	–	(167,921)
Disposals	(126)	(977)	(795)	(184)	(88,566)	(17)	–	(90,665)
Disposals of a subsidiary	–	–	–	(227)	–	–	–	(227)
At 31 December 2024, net of accumulated depreciation and impairment	255,259	56,071	2,955	7,140	2,426,789	16,884	–	2,765,098

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating Lease Assets	Leasehold Improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024:								
Cost	364,816	84,395	14,940	34,467	3,133,884	28,957	–	3,661,459
Accumulated depreciation	(109,557)	(28,324)	(11,985)	(27,327)	(483,886)	(12,073)	–	(673,152)
Accumulated impairment	–	–	–	–	(223,209)	–	–	(223,209)
Net carrying amount	255,259	56,071	2,955	7,140	2,426,789	16,884	–	2,765,098

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025								
At 1 January 2025:								
Cost	364,816	84,395	14,940	34,467	3,133,884	28,957	–	3,661,459
Accumulated depreciation	(109,557)	(28,324)	(11,985)	(27,327)	(483,886)	(12,073)	–	(673,152)
Accumulated impairment	–	–	–	–	(223,209)	–	–	(223,209)
Net carrying amount	255,259	56,071	2,955	7,140	2,426,789	16,884	–	2,765,098
At 1 January 2025, net of accumulated depreciation and impairment	255,259	56,071	2,955	7,140	2,426,789	16,884	–	2,765,098
Additions	675,586	77	1,335	1,203	215,986	2,413	20,070	916,670
Transfer	6,895	8,284	116	4,775	–	–	(20,070)	–
Depreciation provided during the year	(11,638)	(8,628)	(792)	(2,547)	(91,205)	(8,131)	–	(122,941)
Disposals	–	(13,606)	(59)	(387)	(252,846)	–	–	(266,898)
At 31 December 2025, net of accumulated depreciation and impairment	926,102	42,198	3,555	10,184	2,298,724	11,166	–	3,291,929
At 31 December 2025:								
Cost	1,047,297	67,056	16,215	36,684	2,995,553	19,297	–	4,182,102
Accumulated depreciation	(121,195)	(24,858)	(12,660)	(26,500)	(495,859)	(8,131)	–	(689,203)
Accumulated impairment	–	–	–	–	(200,970)	–	–	(200,970)
Net carrying amount	926,102	42,198	3,555	10,184	2,298,724	11,166	–	3,291,929

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 May 2026							
At 1 January 2026:							
Cost	1,047,297	67,056	16,215	36,684	2,995,553	19,297	4,182,102
Accumulated depreciation	(121,195)	(24,858)	(12,660)	(26,500)	(495,859)	(8,131)	(689,203)
Accumulated impairment	–	–	–	–	(200,970)	–	(200,970)
Net carrying amount	926,102	42,198	3,555	10,184	2,298,724	11,166	3,291,929
At 1 January 2026, net of accumulated depreciation and impairment	926,102	42,198	3,555	10,184	2,298,724	11,166	3,291,929
Additions	12,898	295	604	426	191,470	8,633	214,326
Acquisition of a subsidiary	–	950	63	57	–	–	1,070

	Buildings	Machinery and equipment	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation provided during the period	(18,550)	(2,870)	(321)	(848)	(57,213)	(5,308)	(85,110)
Disposals	–	(55)	–	–	(97,622)	–	(97,677)
At 31 May 2026, net of accumulated depreciation and impairment	920,450	40,518	3,901	9,819	2,335,359	14,491	3,324,538
At 31 May 2026:							
Cost	1,060,195	68,448	16,939	37,177	3,061,810	19,799	4,264,368
Accumulated depreciation	(139,745)	(27,930)	(13,038)	(27,358)	(528,496)	(5,308)	(741,875)
Accumulated impairment	–	–	–	–	(197,955)	–	(197,955)
Net carrying amount	920,450	40,518	3,901	9,819	2,335,359	14,491	3,324,538

As at 31 May 2026, the Group had not obtained the certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB10,786,000. The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 May 2026.

At 31 December 2023, 2024 and 2025 and 31 May 2026, certain of the Group's buildings with a net carrying amount of approximately RMB25,134,000, RMB24,196,000, RMB13,287,000 and RMB13,094,000 were pledged to secure banking facilities and letter of credit granted to the Group, respectively.

The Company

	Buildings	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	314,902	7,473	16,073	564,633	3,088	906,169
Accumulated depreciation	(66,079)	(6,639)	(12,898)	(13,613)	(1,064)	(100,293)
Accumulated impairment	–	–	–	(110,110)	–	(110,110)
Net carrying amount	248,823	834	3,175	440,910	2,024	695,766
At 1 January 2023, net of accumulated depreciation and impairment	248,823	834	3,175	440,910	2,024	695,766
Additions	–	–	3,238	40,496	4,864	48,598
Depreciation provided during the year	(10,027)	(150)	(1,670)	(27,324)	(2,076)	(41,247)
Disposals	(328)	–	(50)	(454,082)	–	(454,460)
At 31 December 2023, net of accumulated depreciation and impairment	238,468	684	4,693	–	4,812	248,657
At 31 December 2023:						
Cost	314,574	7,473	18,317	–	6,888	347,252
Accumulated depreciation	(76,106)	(6,789)	(13,624)	–	(2,076)	(98,595)
Net carrying amount	238,468	684	4,693	–	4,812	248,657

	Buildings	Motor vehicles	Computer and office equipment	Operating lease assets	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	314,574	7,473	18,317	–	6,888	347,252
Accumulated depreciation	(76,106)	(6,789)	(13,624)	–	(2,076)	(98,595)
Net carrying amount	238,468	684	4,693	–	4,812	248,657
At 1 January 2024, net of accumulated depreciation and impairment	238,468	684	4,693	–	4,812	248,657
Additions	–	626	762	617	4,326	6,331
Depreciation provided during the year	(10,023)	(240)	(1,646)	–	(1,863)	(13,772)
Disposals	–	(20)	(15)	(617)	–	(652)
At 31 December 2024, net of accumulated depreciation and impairment	228,445	1,050	3,794	–	7,275	240,564
At 31 December 2024:						
Cost	314,574	7,701	18,824	–	9,138	350,237
Accumulated depreciation	(86,129)	(6,651)	(15,030)	–	(1,863)	(109,673)
Net carrying amount	228,445	1,050	3,794	–	7,275	240,564

	Buildings	Motor vehicles	Computer and office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025					
At 1 January 2025:					
Cost	314,574	7,701	18,824	9,138	350,237
Accumulated depreciation	(86,129)	(6,651)	(15,030)	(1,863)	(109,673)
Net carrying amount	228,445	1,050	3,794	7,275	240,564
At 1 January 2025, net of accumulated depreciation and impairment	228,445	1,050	3,794	7,275	240,564
Additions	663,665	–	209	434	664,308
Depreciation provided during the year	(10,023)	(278)	(1,363)	(2,089)	(13,753)
Disposals	–	–	(123)	–	(123)
At 31 December 2025, net of accumulated depreciation and impairment	882,087	772	2,517	5,620	890,996
At 31 December 2025:					
Cost	978,239	7,701	16,684	7,709	1,010,333
Accumulated depreciation	(96,152)	(6,929)	(14,167)	(2,089)	(119,337)
Net carrying amount	882,087	772	2,517	5,620	890,996

	Buildings	Motor vehicles	Computer and office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 May 2026					
At 1 January 2026:					
Cost	978,239	7,701	16,684	7,709	1,010,333
Accumulated depreciation	(96,152)	(6,929)	(14,167)	(2,089)	(119,337)
Net carrying amount	882,087	772	2,517	5,620	890,996
At 1 January 2026, net of accumulated depreciation and impairment	882,087	772	2,517	5,620	890,996
Additions	19,662	–	111	–	19,773
Depreciation provided during the period	(17,701)	(105)	(519)	(1,228)	(19,553)
At 31 May 2026, net of accumulated depreciation and impairment	884,048	667	2,109	4,392	891,216
At 31 May 2026:					
Cost	997,901	7,701	16,795	5,620	1,028,017
Accumulated depreciation	(113,853)	(7,034)	(14,686)	(1,228)	(136,801)
Net carrying amount	884,048	667	2,109	4,392	891,216

15. LEASES

The Group as a lessee

The Group as a lessee has lease contracts for items of leasehold land, buildings, plant and machinery and electronic and other devices. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings, plant and machinery and electronic and other devices generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Leasehold land	Buildings	Plant and machinery	Electronic and other devices	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
As at 1 January 2023	–	168,669	191,807	16	360,492
Additions	59,790	43,263	–	–	103,053
Acquisition of a subsidiary	–	141	–	–	141
Depreciation charge	(100)	(58,848)	(7,804)	(12)	(66,764)
Transfers	–	–	(105,832)	–	(105,832)
Reassessment as a result of lease modifications	–	(215)	–	–	(215)
Early termination	–	(18,681)	–	–	(18,681)
As at 31 December 2023	59,690	134,329	78,171	4	272,194

	Leasehold land	Buildings	Plant and machinery	Electronic and other devices	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
As at 1 January 2024	59,690	134,329	78,171	4	272,194
Additions	–	22,107	–	–	22,107
Depreciation charge	(1,235)	(44,882)	(2,139)	(4)	(48,260)
Transfers	–	–	(76,032)	–	(76,032)
Reassessment as a result of lease modifications	–	(615)	–	–	(615)
Early termination	–	(15,096)	–	–	(15,096)
As at 31 December 2024	58,455	95,843	–	–	154,298

	Leasehold land	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
As at 1 January 2025	58,455	95,843	154,298
Additions	–	24,492	24,492
Depreciation charge	(1,241)	(41,488)	(42,729)
Reassessment as a result of lease modifications	–	(9,595)	(9,595)
Early termination	–	(8,256)	(8,256)
As at 31 December 2025	57,214	60,996	118,210

	Leasehold land	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
31 May 2026			
As at 1 January 2026	57,214	60,996	118,210
Additions	–	11,649	11,649
Depreciation charge	(518)	(14,422)	(14,940)
Reassessment as a result of lease modifications	–	(6,526)	(6,526)
Early termination	–	(1,185)	(1,185)
As at 31 May 2026	56,696	50,512	107,208

The Company

	Buildings
	RMB'000
31 December 2023	
As at 1 January 2023	28,379
Additions	9,218
Depreciation charge	(10,806)
Reassessment as a result of lease modifications	174
Early termination	(427)
As at 31 December 2023	26,538

	Buildings
	RMB'000
31 December 2024	
As at 1 January 2024	26,538
Depreciation charge	(11,350)
Reassessment as a result of lease modifications	(178)
As at 31 December 2024	15,010

	Buildings
	RMB'000
31 December 2025	
As at 1 January 2025	15,010
Additions	1,159
Depreciation charge	(9,449)
Reassessment as a result of lease modifications	(368)
Early termination	(208)
As at 31 December 2025	6,144

	Buildings
	RMB'000
31 May 2026	
As at 1 January 2026	6,144
Additions	1,150
Depreciation charge	(2,202)
Reassessment as a result of lease modifications	24
As at 31 May 2026	5,116

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December			As at 31 May
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	340,991	164,619	86,652	59,953
New leases	43,263	22,107	24,492	11,649
Acquisition of a subsidiary	127	–	–	–
Accretion of interest recognised during the year/period	10,738	5,851	3,361	920
Payments	(217,965)	(88,785)	(44,480)	(15,220)
Reassessment as a result of lease modifications	7,358	(1,410)	(1,219)	(10,021)
Early termination	(19,893)	(15,730)	(8,853)	(1,220)
Carrying amount at the end of year/period	164,619	86,652	59,953	46,061
Current portion	78,546	31,879	26,312	22,389
Non-current portion	86,073	54,773	33,641	23,672

Included in the Group's lease liabilities are amounts due from the Group's related parties of RMB13,035,000, RMB17,222,000, RMB8,333,000 and RMB7,045,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	25,635	22,700	10,823	4,118
New leases	9,218	–	1,159	1,150
Accretion of interest recognised during the year/period	1,188	747	300	77
Payments	(12,926)	(12,148)	(7,536)	(375)
Reassessment as a result of lease modifications	168	(476)	(420)	29
Early termination	(583)	–	(208)	–
Carrying amount at the end of year/period	22,700	10,823	4,118	4,999
Current portion	11,570	7,282	4,118	4,316
Non-current portion	11,130	3,541	–	683

The maturity analysis of lease liabilities is disclosed in note 41 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Expense relating to short-term leases	22,203	21,582	27,261	11,231	14,196
Interest on lease liabilities	10,738	5,851	3,361	1,786	920
Depreciation charge of right-of-use assets	66,623	48,260	42,729	24,159	14,940
Gain on termination of leases	(1,211)	(634)	(597)	–	(35)
Total amount recognised in profit or loss	98,353	75,059	72,754	37,176	30,021

The Company

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Expense relating to short-term leases	4,042	2,327	4,427	879	6,491
Interest on lease liabilities	1,188	747	300	179	77
Depreciation charge of right-of-use assets	10,806	11,350	9,449	4,619	2,202
Gain on termination of leases	(155)	–	–	–	–
Total amount recognised in profit or loss	15,881	14,424	14,176	5,677	8,770

(d) The total cash outflow for leases is disclosed in note 35(c) to the Historical Financial Information.

16. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	38,700
Accumulated depreciation	(23,913)
Net carrying amount	14,787
Cost at 1 January 2023, net of accumulated amortisation	14,787
Additions	1,663
Disposals	(17)
Amortisation provided during the year	(5,743)
At 31 December 2023	10,690

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	40,346
Accumulated depreciation	(29,656)
Net carrying amount	10,690
Cost at 1 January 2024, net of accumulated amortisation	10,690
Additions	308
Acquisition of a subsidiary	418
Disposals	(8)
Amortisation provided during the year	(3,832)
At 31 December 2024	7,576

	Software
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	43,019
Accumulated depreciation	(35,443)
Net carrying amount	7,576
Cost at 1 January 2025, net of accumulated amortisation	7,576
Additions	3,773
Disposals	(6)
Amortisation provided during the year	(4,696)
At 31 December 2025	6,647

	Software
	RMB'000
31 May 2026	
At 1 January 2026:	
Cost	45,200
Accumulated depreciation	(38,553)
Net carrying amount	6,647
Cost at 1 January 2026, net of accumulated amortisation	6,647
Disposals	(529)
Amortisation provided during the period	(1,173)
At 31 May 2026	4,945

The Company

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	24,585
Accumulated depreciation	(16,681)
Net carrying amount	7,904
Cost at 1 January 2023, net of accumulated amortisation	7,904
Amortisation provided during the year	(3,045)
At 31 December 2023	4,859

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	24,585
Accumulated depreciation	(19,726)
Net carrying amount	4,859
Cost at 1 January 2024, net of accumulated amortisation	4,859
Amortisation provided during the year	(2,087)
At 31 December 2024	2,772

	Software
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	24,585
Accumulated depreciation	(21,813)
Net carrying amount	2,772
Cost at 1 January 2025, net of accumulated amortisation	2,772
Additions	3,774
Amortisation provided during the year	(2,503)
At 31 December 2025	4,043

	Software
	RMB'000
31 May 2026	
At 1 January 2026:	
Cost	27,389
Accumulated depreciation	(23,346)
Net carrying amount	4,043
Cost at 1 January 2026, net of accumulated amortisation	4,043
Amortisation provided during the period	(774)
At 31 May 2026	3,269

17. INVESTMENTS IN ASSOCIATES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	831,074	764,491	700,320	969,900

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	671,420	615,352	632,306	890,202

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of profits of associates	80,337	64,440	52,814	46,334
Aggregate carrying amount of the Group's investments in the associates	831,074	764,491	700,320	969,900

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of profits of associates	45,345	33,555	35,120	34,635
Aggregate carrying amount of the Company's investments in the associates	671,420	615,352	632,306	890,202

18. INVENTORIES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	11,929,012	16,749,564	18,984,442	22,162,136
Impairment	(487,749)	(600,520)	(722,022)	(1,199,226)
Total	11,441,263	16,149,044	18,262,420	20,962,910

At 31 December 2023, 2024 and 2025 and 31 May 2026, the balances of inventories in the form of standard warehouse receipts, which were held by the Group for expected sales requirement and pledged by the Group as commodity futures margin deposits, amounted to RMB1,720,923,000, RMB2,665,663,000, RMB847,578,000 and RMB2,103,293,000.

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	4,707,601	6,874,659	7,137,952	8,191,470
Impairment	(201,982)	(469,233)	(245,695)	(496,323)
Total	4,505,619	6,405,426	6,892,257	7,695,147

At 31 December 2023, 2024 and 2025 and 31 May 2026, the balances of inventories in the form of standard warehouse receipts, which were held by the Company for expected sales requirement and pledged by the Company as commodity futures margin deposits, amounted to RMB127,806,000, RMB474,663,000, RMB199,888,000 and RMB680,164,000.

19. TRADE AND NOTES RECEIVABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	5,530,515	6,478,528	5,533,781	5,501,440
Notes receivable	182,035	310,000	512,105	1,400,558
Subtotal	5,712,550	6,788,528	6,045,886	6,901,998
Less: Impairment of trade receivables	(568,474)	(381,544)	(459,177)	(509,588)
Less: Impairment of notes receivable	(1,321)	(7,786)	(1,884)	(2,155)
Net carrying amount	5,142,755	6,399,198	5,584,825	6,390,255

The Group's trade terms with its customers are mainly payment in advance, except for certain major customers, where terms are normally on credit. The credit period is generally within 180 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and notes receivables relate to diversified customers, the Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and notes receivables are non-interest-bearing.

Notes receivable of RMB161,484,000, RMB219,052,000, RMB477,898,000 and RMB1,363,426,000 were classified as financial assets at fair value through other comprehensive income under HKFRS 9 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant as at 2023, 2024 and 2025 and 31 May 2026. The remaining notes receivable of RMB20,551,000, RMB90,948,000, RMB34,207,000 and RMB37,132,000 were measured at amortised cost as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

Included in the Group's trade and notes receivables were amounts due from the Group's related parties of RMB48,442,000, RMB58,030,000, RMB1,249,000 and RMB72,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, which were repayable on credit terms similar to those offered to the major customers of the Group.

The Group's notes receivable were all aged within one year and were not past due.

An ageing analysis of the Group's trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	4,590,119	5,704,136	4,697,916	4,663,360
1 to 2 years	346,044	289,789	184,424	143,442
2 to 3 years	25,878	94,701	132,727	112,773
Over 3 years	–	8,358	59,537	72,277
Total	4,962,041	6,096,984	5,074,604	4,991,852

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	635,475	568,474	381,544	459,177
Impairment losses, net	(67,001)	(186,930)	158,824	50,411
Amount written off as uncollectible	–	–	(81,191)	–
At end of year/period	568,474	381,544	459,177	509,588

	As at 31 December 2023		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	93,438	62,924	67.34%
On a collective basis	5,437,077	505,550	9.30%
Total	5,530,515	568,474	10.28%

	As at 31 December 2024		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	88,737	59,473	67.02%
On a collective basis	6,389,791	322,071	5.04%
Total	6,478,528	381,544	5.89%

	As at 31 December 2025		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	29,855	15,924	53.34%
On a collective basis	5,503,926	443,253	8.05%
Total	5,533,781	459,177	8.30%

	As at 31 May 2026		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	18,230	15,012	82.35%
On a collective basis	5,483,210	494,576	9.02%
Total	5,501,440	509,588	9.26%

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed as at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, and any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

As at 31 December 2023

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.17%	1.00%	10.00%	40.00%	100.00%	12.98%
Gross carrying amount (RMB'000)	1,690,735	658,604	393,618	257,400	273,158	3,273,515
Expected credit losses (RMB'000)	2,830	6,586	39,362	102,960	273,158	424,896

Group B	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	6.95%
Gross carrying amount (RMB'000)	320,928	229,229	22,529	572,686
Expected credit losses (RMB'000)	12,837	22,923	4,055	39,815

Group C	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	6.88%
Gross carrying amount (RMB'000)	423,012	131,745	9,254	564,011
Expected credit losses (RMB'000)	21,151	15,809	1,851	38,811

Group D	Within 1 year
Expected credit loss rate	0.20%
Gross carrying amount (RMB'000)	1,014,072
Expected credit losses (RMB'000)	2,028

Group E	Within 1 year	1 to 2 years	Total
Expected credit loss rate	0.00%	0.00%	0.00%
Gross carrying amount (RMB'000)	10,521	2,272	12,793
Expected credit losses (RMB'000)	–	–	–

As at 31 December 2024

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.17%	1.00%	10.00%	40.00%	100.00%	6.14%
Gross carrying amount (RMB'000)	2,430,062	938,810	247,441	135,698	146,689	3,898,700
Expected credit losses (RMB'000)	4,218	9,388	24,744	54,277	146,689	239,316

Group B	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	30.00%	7.89%
Gross carrying amount (RMB'000)	216,434	155,847	50,426	184	422,891
Expected credit losses (RMB'000)	8,657	15,585	9,077	55	33,374

Group C	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	30.00%	9.90%
Gross carrying amount (RMB'000)	242,584	137,726	65,556	11,756	457,622
Expected credit losses (RMB'000)	12,129	16,527	13,111	3,527	45,294

Group D	Within 1 year
Expected credit loss rate	0.20%
Gross carrying amount (RMB'000)	1,381,275
Expected credit losses (RMB'000)	2,763

Group E	Within 1 year	1 to 2 years	Total
Expected credit loss rate	0.00%	0.00%	0.00%
Gross carrying amount (RMB'000)	96,055	879	96,934
Expected credit losses (RMB'000)	–	–	–

Group F	Within 1 year
Expected credit loss rate	1.00%
Gross carrying amount (RMB'000)	132,369
Expected credit losses (RMB'000)	1,324

As at 31 December 2025

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.20%	1.00%	10.00%	40.00%	100.00%	8.89%
Gross carrying amount (RMB'000)	1,725,498	1,066,208	669,590	311,650	142,423	3,915,369
Expected credit losses (RMB'000)	3,451	10,662	66,959	124,660	142,423	348,155

Group B	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	30.00%	8.93%
Gross carrying amount (RMB'000)	246,360	92,004	82,610	17,513	438,487
Expected credit losses (RMB'000)	9,854	9,200	14,870	5,254	39,178

Group C	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	30.00%	12.50%
Gross carrying amount (RMB'000)	190,831	114,565	79,379	51,142	435,917
Expected credit losses (RMB'000)	9,542	13,748	15,876	15,343	54,509

Group D	Within 1 year
Expected credit loss rate	0.20%
Gross carrying amount (RMB'000)	705,281
Expected credit losses (RMB'000)	1,411

Group E	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	8,872
Expected credit losses (RMB'000)	–

As at 31 May 2026

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.20%	1.00%	10.00%	40.00%	100.00%	11.81%
Gross carrying amount (RMB'000)	1,418,744	959,723	424,475	301,926	216,778	3,321,646
Expected credit losses (RMB'000)	2,836	9,597	42,448	120,771	216,778	392,430

Group B	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	30.00%	59.86%	8.84%
Gross carrying amount (RMB'000)	268,650	76,901	61,488	29,609	421	437,069
Expected credit losses (RMB'000)	10,746	7,690	11,068	8,883	252	38,639

Group C	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	30.00%	60.00%	15.04%
Gross carrying amount (RMB'000)	175,858	75,776	77,821	59,533	15,960	404,948
Expected credit losses (RMB'000)	8,793	9,093	15,564	17,860	9,576	60,886

Group D	Within 1 year
Expected credit loss rate	0.20%
Gross carrying amount (RMB'000)	1,310,440
Expected credit losses (RMB'000)	2,621

Group E	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	9,107
Expected credit losses (RMB'000)	–

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	2,557,674	4,171,959	1,828,095	1,522,455
Notes receivable	245,227	38,698	210,014	302,040
	2,802,901	4,210,657	2,038,109	1,824,495
Less: Impairment of trade receivable	(381,985)	(193,084)	(64,850)	(76,200)
Less: Impairment of notes receivable	(15)	(1,113)	(32)	(500)
Trade receivables, net	2,420,901	4,016,460	1,973,227	1,747,795

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	2,138,447	3,954,490	1,751,000	1,438,738
1 to 2 years	21,721	16,277	1,236	776
2 to 3 years	15,521	8,108	10,444	5,316
Over 3 years	–	–	565	1,425
Total	2,175,689	3,978,875	1,763,245	1,446,255

Included in the Company's trade receivables were amounts due from the Company's related parties of RMB881,913,000, RMB3,152,310,000, RMB1,107,652,000 and RMB838,063,000, and notes receivables due from the Company's related parties of RMB200,000,000, nil, nil and nil as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, which were repayable on credit terms similar to those offered to the major customers of the Company.

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	500,068	381,985	193,084	64,850
Impairment losses, net	(118,083)	(188,901)	(49,711)	11,350
Amount written off as uncollectible	–	–	(78,523)	–
At end of year/period	381,985	193,084	64,850	76,200

	As at 31 December 2023		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	30,694	30,694	100.00%
On a collective basis	2,526,980	351,291	13.90%
Total	2,557,674	381,985	14.93%

	As at 31 December 2024		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	30,694	30,694	100.00%
On a collective basis	4,141,265	162,390	3.92%
Total	4,171,959	193,084	4.63%

	As at 31 December 2025		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	–	–	0.00%
On a collective basis	1,828,095	64,850	3.55%
Total	1,828,095	64,850	3.55%

	As at 31 May 2026		
	Carrying amount	Impairment losses	
	RMB'000	*RMB'000*	*Rate*
On an individual basis	–	–	0.00%
On a collective basis	1,522,455	76,200	5.01%
Total	1,522,455	76,200	5.01%

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Company

As at 31 December 2023

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.13%	1.00%	10.00%	40.00%	100.00%	21.23%
Gross carrying amount (RMB'000)	604,206	335,190	243,005	205,165	233,750	1,621,316
Expected credit losses (RMB'000)	806	3,352	24,301	82,066	233,750	344,275

Group B	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	9.75%
Gross carrying amount (RMB'000)	27,709	22,767	18,602	69,078
Expected credit losses (RMB'000)	1,108	2,277	3,348	6,733

Group C	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	10.54%
Gross carrying amount (RMB'000)	953	1,398	334	2,685
Expected credit losses (RMB'000)	48	168	67	283

Group D	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	833,901
Expected credit losses (RMB'000)	–

As at 31 December 2024

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.14%	1.00%	10.00%	40.00%	100.00%	15.68%
Gross carrying amount (RMB'000)	575,434	157,743	75,366	90,914	112,342	1,011,799
Expected credit losses (RMB'000)	799	1,577	7,537	36,365	112,342	158,620

Group B	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	4.00%	10.00%	18.00%	11.75%
Gross carrying amount (RMB'000)	3,760	17,945	9,676	31,381
Expected credit losses (RMB'000)	150	1,795	1,742	3,687

Group C	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate	5.00%	12.00%	20.00%	10.00%
Gross carrying amount (RMB'000)	469	144	217	830
Expected credit losses (RMB'000)	23	17	43	83

Group D	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	3,097,255
Expected credit losses (RMB'000)	–

As at 31 December 2025

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.20%	1.00%	10.00%	40.00%	100.00%	8.82%
Gross carrying amount (RMB'000)	389,366	183,067	53,635	39,275	38,419	703,762
Expected credit losses (RMB'000)	779	1,831	5,363	15,710	38,419	62,102

Group B	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	3.98%	10.01%	18.00%	29.99%	16.37%
Gross carrying amount (RMB'000)	1,757	1,269	12,596	687	16,309
Expected credit losses (RMB'000)	70	127	2,267	206	2,670

Group C	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	0.00%	12.15%	20.14%	29.75%	20.97%
Gross carrying amount (RMB'000)	–	107	144	121	372
Expected credit losses (RMB'000)	–	13	29	36	78

Group D	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	1,107,652
Expected credit losses (RMB'000)	–

As at 31 May 2026

Group A	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
Expected credit loss rate	0.20%	1.00%	10.00%	40.00%	100.00%	11.02%
Gross carrying amount (RMB'000)	362,773	151,121	76,081	32,157	51,539	673,671
Expected credit losses (RMB'000)	725	1,511	7,608	12,863	51,539	74,246

Group B	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Expected credit loss rate	3.99%	9.99%	18.00%	30.02%	60.61%	18.16%
Gross carrying amount (RMB'000)	1,304	861	6,121	1,999	66	10,351
Expected credit losses (RMB'000)	52	86	1,102	600	40	1,880

Group C	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Expected credit loss rate	0.00%	0.00%	19.89%	0.00%	0.00%	19.89%
Gross carrying amount (RMB'000)	–	–	372	–	–	372
Expected credit losses (RMB'000)	–	–	74	–	–	74

Group D	Within 1 year
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	838,061
Expected credit losses (RMB'000)	–

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and prepaid expenses	7,768,069	8,945,457	10,279,674	13,148,047
Deposits and other receivables	4,503,682	4,491,037	6,542,844	5,769,422
Deductible input value-added tax and export tax rebate	1,032,266	1,590,692	1,732,100	1,426,032
Standard warehouse receipt	244,725	374,023	1,438,538	2,602,801
Other current assets – fair value adjustment on hedged items	57,109	8,169	738,747	1,022,488
Corporate income tax recoverable	12,413	20,726	59,338	29,243
Dividends receivable	20,400	–	2,532	–
Others	121,428	102,090	69,300	68,960
Impairment allowance	(11,805)	(62,592)	(62,576)	(66,290)
Current portion	13,748,287	15,469,602	20,800,497	24,000,703
Prepayment for non-current assets	821	2,823	–	–
Non-current portion	821	2,823	–	–
Total	13,749,108	15,472,425	20,800,497	24,000,703

At 31 December 2023, 2024 and 2025 and 31 May 2026, standard warehouse receipts pledged by the Group as commodity futures margin deposits, amounted to nil, nil, RMB627,112,000 and RMB1,375,410,000.

Included in the Group's prepayments, other receivables and other assets were amounts due from the Group's related parties of RMB319,596,000, RMB80,409,000 and RMB103,012,000 and RMB436,769,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

The movements in the loss allowance for impairment of other receivables are as follows:

	Expected credit losses			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	8,268	–	6,766	15,034
Impairment losses, net	(3,229)	–	–	(3,229)
At 31 December 2023 and 1 January 2024	5,039	–	6,766	11,805
Impairment losses, net	41,113	–	–	41,113
At 31 December 2024 and 1 January 2025	46,152	–	6,766	52,918
Impairment losses, net	16,424	–	–	16,424
Amount written off as uncollectible	–	–	(6,766)	(6,766)
At 31 December 2025 and 1 January 2026	62,576	–	–	62,576
Impairment losses, net	3,714	–	–	3,714
At 31 May 2026	66,290	–	–	66,290

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments and prepaid expenses	2,308,165	2,614,883	3,308,827	4,787,547
Deposits and other receivables	5,563,941	4,870,838	12,127,354	13,877,439
Deductible input value-added tax and export tax rebate	312,749	637,556	588,481	310,833
Dividends receivable	1,030,000	755,500	187,548	60,000
Other current assets-hedged items	–	–	20,133	–
Standard warehouse receipt	–	–	–	119,042
Others	22,311	2,393	18	23,900
Impairment allowance	(4,302)	(50,972)	(36,612)	(38,523)
Current portion	9,232,864	8,830,198	16,195,749	19,140,238
Prepayment for non-current assets	659	1,214	–	–
Non-current portion	659	1,214	–	–
Total	9,233,523	8,831,412	16,195,749	19,140,238

Included in the Company's prepayments and other receivables were amounts due from the Company's related parties of RMB5,101,618,000, RMB4,592,638,000, RMB11,394,024,000 and RMB13,452,590,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. Included in the Company's dividends receivable were amounts due from the Company's related parties of RMB1,030,000,000, RMB755,500,000, RMB187,548,000 and RMB60,000,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

The movements in the loss allowance for impairment of other receivables are as follows:

	Expected credit losses			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,961	–	2,672	4,633
Impairment losses, net	(331)	–	–	(331)
At 31 December 2023 and 1 January 2024	1,630	–	2,672	4,302
Impairment losses, net	37,915	–	–	37,915
At 31 December 2024 and 1 January 2025	39,545	–	2,672	42,217
Impairment losses, net	(2,933)	–	–	(2,933)
Amount written off as uncollectible	–	–	(2,672)	(2,672)
At 31 December 2025 and 1 January 2026	36,612	–	–	36,612
Impairment losses, net	1,911	–	–	1,911
At 31 May 2026	38,523	–	–	38,523

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current asset				
Unlisted equity investments, at fair value	214,341	189,167	158,815	149,387
Current asset				
Wealth management products	261,996	411,573	875,480	3,658,963
Listed equity investments, at fair value	–	–	292,917	330,760
Total	261,996	411,573	1,168,397	3,989,723

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current asset				
Unlisted equity investments, at fair value	127,346	117,064	97,810	96,324
Current asset				
Wealth management products	19,994	–	–	1,340,180

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	3,187,403	4,232,799	3,422,463	6,263,783
Time deposits	6,315,304	4,523,114	3,546,749	4,714,729
Subtotal	9,502,707	8,755,913	6,969,212	10,978,512
Less:				
Restricted cash	40,152	27,760	26,978	36,748
Pledged deposits for bank loans and other borrowings	4,443,226	2,703,477	1,621,256	2,265,769
Pledged deposits for notes payable	1,395,757	1,643,255	1,691,771	2,209,270
Pledged deposits for letters of credit	396,041	121,084	135,829	121,919
Pledged deposits for letters of guarantee	59,705	32,768	43,291	65,720
Others	9,852	1,703	4,602	12,051
Cash and cash equivalents	3,157,974	4,225,866	3,445,485	6,267,035

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents and deposits denominated in				
RMB	2,432,198	2,601,987	2,769,491	4,812,287
USD	688,520	1,530,424	567,120	1,369,464
Others	37,256	93,455	108,874	85,284
Total	3,157,974	4,225,866	3,445,485	6,267,035

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	1,479,634	1,670,091	2,110,237	3,379,153
Time deposits	3,699,859	2,757,207	2,301,077	3,029,717
Subtotal	5,179,493	4,427,298	4,411,314	6,408,870
Less:				
Restricted cash	16,072	16,072	9	9
Pledged deposits for bank loans and other borrowings	1,626,289	846,110	1,161,823	1,237,132
Pledged deposits for notes payable	2,070,246	1,889,998	1,084,654	1,760,837
Pledged deposits for letters of credit	–	19,400	–	48
Others	3,324	1,699	4,600	1,700
Cash and cash equivalents	1,463,562	1,654,019	2,160,228	3,409,144

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents and deposits denominated in				
RMB	1,460,967	1,528,192	2,157,374	3,395,672
USD	2,588	125,803	2,845	13,258
Others	7	24	9	214
Total	1,463,562	1,654,019	2,160,228	3,409,144

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

23. TRADE AND NOTES PAYABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	804,423	1,644,953	1,582,411	2,418,185
Notes payable	6,414,084	6,139,441	5,346,028	5,650,997
Total	7,218,507	7,784,394	6,928,439	8,069,182

Included in the Group's trade and notes payables were amounts due from the Group's related parties of RMB727,194,000, RMB380,564,000, RMB257,921,000 and RMB586,219,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, which represents credit terms similar to those offered by the related parties to their major customers.

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,140,913	2,815,323	3,118,923	4,466,916
Notes payable	8,381,743	7,648,973	8,082,229	9,103,358
Total	9,522,656	10,464,296	11,201,152	13,570,274

Included in the Company's trade and notes payables were amounts due from the Company's related parties of RMB5,151,381,000, RMB6,751,327,000, RMB7,718,253,000 and RMB9,378,502,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, which represents credit terms similar to those offered by the related parties to their major customers.

As of the end of each of the Relevant Periods, the ageing analysis of trade and notes payables, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	7,185,425	7,752,874	6,883,039	8,026,214
Over 1 year	33,082	31,520	45,400	42,968
Total	7,218,507	7,784,394	6,928,439	8,069,182

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	9,501,012	10,449,983	11,185,196	13,550,362
Over 1 year	21,644	14,313	15,956	19,912
Total	9,522,656	10,464,296	11,201,152	13,570,274

The trade payables are non-interest-bearing and are normally settled within 90 days after receiving invoice.

The Group's notes payable were all aged within one year and are normally settle within one year.

24. OTHER PAYABLES, ACCRUALS AND OTHER CURRENT LIABILITIES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payable	1,291,827	1,410,074	1,021,909	720,155
Other payables	1,574,900	1,435,430	1,539,456	1,574,351
Taxes payable other than corporate income tax	819,265	941,518	1,013,911	1,363,845
Accrued expenses	94,119	63,429	41,511	50,738
Dividends payable	49,000	–	134,319	61,840
Deposits	54,422	164,525	335,794	497,409
Other current liabilities – fair value adjustment on hedged items	14,972	1,474,042	86,513	419,541
Total	3,898,505	5,489,018	4,173,413	4,687,879

Included in the Group's other payables, accruals and other current liabilities were amounts due to the Group's related parties of RMB58,788,000, RMB121,566,000, RMB5,289,000 and RMB511,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. Other payables, accruals and other current liabilities are non-interest-bearing and repayable on demand.

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other payables	2,203,088	2,457,749	2,572,800	2,752,141
Payroll payable	723,912	792,972	608,797	599,385
Taxes payable other than corporate income tax	470,088	574,097	655,430	611,138
Accrued expenses	16,000	9,916	4,607	11,474
Deposits	–	7,419	5,921	47,412
Dividends Payable	–	–	20,718	61,840
Total	3,413,088	3,842,153	3,868,273	4,083,390

Included in the Company's other payables, accruals and other current liabilities were amounts due to the Company's related parties of RMB1,985,544,000, RMB2,118,474,000, RMB2,158,552,000 and RMB2,442,235,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. Other payables, accruals and other current liabilities are non-interest-bearing and repayable on demand.

25. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers	4,954,060	6,312,779	7,498,509	10,917,530

Included in the Group's contract liabilities are amounts due from the Group's related parties of RMB64,286,000, RMB86,664,000 and RMB182,255,000 and RMB290,086,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers	2,774,131	3,692,051	4,865,556	4,538,860

Included in the Company's contract liabilities were amounts due from the Group's related parties of RMB221,501,000, RMB103,476,000, RMB1,124,160,000 and RMB401,646,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

26. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	As at 31 December 2023	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	946,936	819,932
Commodity options	9,990	23,620
Foreign currency option contracts	6,012	531
Foreign currency forward contracts	108,549	71,633
Foreign currency futures contracts	594	8,427
Total	1,072,081	924,143

	As at 31 December 2024	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	674,613	387,846
Commodity options	45,569	27,327
Foreign currency option contracts	25,646	159,031
Foreign currency forward contracts	132,193	108,079
Foreign currency futures contracts	12,977	–
Total	890,998	682,283

	As at 31 December 2025	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	619,163	1,480,963
Commodity options	687	52,372
Foreign currency option contracts	3,332	132
Foreign currency forward contracts	99,493	33,933
Foreign currency futures contracts	1,685	6,474
Total	724,360	1,573,874

	As at 31 May 2026	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	614,697	402,864
Commodity options	2,934	20,047
Foreign currency option contracts	152,370	15,183
Foreign currency forward contracts	58	6,145
Total	770,059	444,239

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Including:				
Derivative financial instruments designated in hedging relationships:				
Commodity futures	(52,016)	663,568	(840,872)	(614,533)

The Company

	As at 31 December 2023	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	10,996	21,632
Commodity options	1,662	–
Foreign currency option contracts	572	–
Foreign currency forward contracts	38,929	57,169
Total	52,159	78,801

	As at 31 December 2024	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	23,492	10,168
Commodity options	–	1,874
Foreign currency option contracts	16,555	46
Foreign currency forward contracts	119,874	367
Total	159,921	12,455

	As at 31 December 2025	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	70,828	94,110
Commodity options	–	1,509
Foreign currency option contracts	3,332	132
Foreign currency forward contracts	32,192	23,040
Total	106,352	118,791

	As at 31 May 2026	
	Assets	Liabilities
	RMB'000	*RMB'000*
Commodity futures	141,690	19,724
Commodity options	–	1,320
Foreign currency option contracts	73,345	4,136
Total	215,035	25,180

27. INTEREST-BEARING LOANS AND OTHER BORROWINGS

The Group

	As at 31 December 2023		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.90-3.40	2024	1,301,875
Bank loans – unsecured	2.90–3.30	2024	372,437
Discounted notes receivable	1.05–3.30	2024	8,816,449
Loans of letter of credit	1.55–6.94	2024	3,697,835
Other borrowings – secured	0–6.83	2024	2,168,705
Other borrowings – unsecured	2.80-4.93	2024	2,521,078
Current portion of long-term bank loans	3.45–6.40	2024	131,960
Non-current			
Bank loans – secured	3.45–6.40	2025-2027	460,196
Total			19,470,535

	As at 31 December 2024		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.50-5.50	2025	2,320,951
Bank loans – unsecured	2.00–2.95	2025	849,752
Discounted notes receivable	0.88–3.50	2025	8,626,523
Loans of letter of credit	0.82–6.41	2025	6,374,466
Other borrowings – secured	0–3.20	2025	468,831
Other borrowings – unsecured	2.07-3.00	2025	3,025,728
Current portion of long-term bank loans	3.41–5.31	2025	20,801
Non-current			
Bank loans – secured	4.17–4.18	2026-2027	450,000
Other borrowings – secured	2.93–3.10	2026	38,300
Total			22,175,352

	As at 31 December 2025		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.20-4.28	2026	2,432,542
Bank loans – unsecured	2.15-2.50	2026	1,145,000
Discounted notes receivable	0.70-3.40	2026	8,883,714
Loans of letter of credit	0.80-7.24	2026	8,977,106
Other borrowings – secured	0-7.56	2026	607,490
Other borrowings – unsecured	2.08-3.00	2026	3,575,594
Current portion of long-term bank loans	4.17-4.18	2026	16,875
Non-current			
Bank loans – secured	4.17-4.18	2027	440,000
Total			26,078,321

	As at 31 May 2026		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.15-4.60	2026-2027	5,065,908
Bank loans – unsecured	1.44-2.55	2026-2027	4,229,837
Discounted notes receivable	0.60-2.35	2026	10,438,224
Loans of letter of credit	0.90-5.72	2026-2027	8,887,468
Other borrowings – secured	2.08-3.60	2026-2027	585,743
Other borrowings – unsecured	2.08-3.00	2026	5,604,864
Current portion of long-term bank loans	2.48	2026	12,540
Non-current			
Bank loans – secured	2.48	2027	440,000
Total			35,264,584

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings repayable:				
Within one year	19,010,339	21,687,052	25,638,321	34,824,584
In the second year	196	38,300	440,000	440,000
In the third to fourth years	460,000	450,000	–	–
Total	19,470,535	22,175,352	26,078,321	35,264,584

Certain of guarantees of the Group's interest-bearing loans and other borrowings were secured by:

(1) The pledge of certain of the Group's property, plant and equipment, which had net carrying values at the end of the Relevant Periods of RMB10,919,000, RMB10,445,000, Nil and Nil, respectively; and

(2) The Group's pledged time deposits were pledged to secure the Group's interest-bearing loans and other borrowings, with aggregate net carrying values of RMB4,443,226,000, RMB2,703,477,000, RMB1,621,256,000 and RMB2,265,769,000 at the end of the Relevant Periods, respectively.

In addition, Hangzhou Industrial Investment Group Co., Ltd., the controlling shareholder of the Company, has guaranteed the Group's interest-bearing loans and other borrowings, with maximum guaranteed amounts of RMB26,366,000,000, RMB27,711,000,000, RMB21,332,929,000 and RMB5,278,598,000 at the end of the Relevant Periods, respectively. The Company and certain subsidiaries have guaranteed the Group's interest-bearing loans and other borrowings, with maximum amounts of RMB12,671,620,000, RMB15,522,951,200, RMB18,750,008,400 and RMB29,814,585,000 at the end of the Relevant Periods, respectively.

The Company

	As at 31 December 2023		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.90–3.40	2024	600,495
Bank loans – unsecured	2.90–3.30	2024	372,437
Discounted notes receivable	3.00–3.20	2024	207,530
Loans of letter of credit	2.80-3.00	2024	822,580
Other borrowings – secured	0–6.08	2024	1,770,843
Other borrowings – unsecured	2.80–2.98	2024	2,226,369
Current portion of long-term bank loans	3.45–4.18	2024	131,146
Non-current			
Bank loans – secured	3.45–4.18	2027	460,000
Total			6,591,400

	As at 31 December 2024		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.50-5.50	2025	1,129,288
Bank loans – unsecured	2.00–2.95	2025	847,530
Discounted notes receivable	1.90–3.50	2025	17,000
Loans of letter of credit	2.40-5.34	2025	1,547,972
Other borrowings – secured	0–3.05	2025	349,127
Other borrowings – unsecured	2.07–3.00	2025	3,025,728
Current portion of long-term bank loans	3.43–4.18	2025	20,600
Non-current			
Bank loans – secured	4.17–4.18	2026-2027	450,000
Other borrowings – secured	2.93–3.10	2026	38,300
Total			7,425,545

	As at 31 December 2025		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.20-4.28	2026	1,721,064
Bank loans – unsecured	2.15-2.50	2026	1,145,000
Discounted notes receivable	3.40	2026	187,064
Loans of letter of credit	2.15-4.30	2026	2,330,141
Other borrowings – secured	0-7.56	2026	482,023
Other borrowings – unsecured	2.10-2.70	2026	3,566,434
Current portion of long-term bank loans	4.17-4.18	2026	16,875
Non-current			
Bank loans – secured	4.17-4.18	2027	440,000
Total			9,888,601

	As at 31 May 2026		
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.20-3.80	2026-2027	1,926,856
Bank loans – unsecured	1.44-2.55	2026-2027	4,229,837
Discounted notes receivable	0.85-2.20	2026	59,672
Loans of letter of credit	1.90-4.30	2026-2027	1,695,884
Other borrowings – secured	2.14-2.55	2026-2027	437,021
Other borrowings – unsecured	3.00	2026	5,538,054
Current portion of long-term bank loans	2.48	2026	12,540
Non-current			
Bank loans – secured	2.48	2027	440,000
Total			14,339,864

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans and other borrowings repayable:				
Within one year	6,131,400	6,937,245	9,448,601	13,899,864
In the second year	–	38,300	440,000	440,000
In the third to fourth years	460,000	450,000	–	–
Total	6,591,400	7,425,545	9,888,601	14,339,864

28. PROVISION

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Provision for onerous contracts:				
Carrying amount at 1 January	494,671	80,533	209,166	18,600
Additional provision, net	(414,138)	117,478	(190,566)	21,925
Acquisition of subsidiaries	–	11,155	–	–
Carrying amount at 31 December/May	80,533	209,166	18,600	40,525

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Provision for onerous contracts:				
Carrying amount at 1 January	75,639	226	170,671	1,500
Additional provision, net	(75,413)	170,445	(169,171)	501
Carrying amount at 31 December/May	226	170,671	1,500	2,001

The amount of the provision for the onerous contracts is measured at the present value of the lower of the expected costs of terminating the contracts and the net cost of fulfilling the contracts (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling those contracts).

29. DEFERRED TAX

The movements in deferred tax assets during the Relevant Periods are as follows:

The Group

	As at 31 December 2023									
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Unrealised profit from intercompany transactions	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	156,280	58,763	284,477	3,197	169,594	103,037	26,790	222,096	55,781	1,080,015
Deferred tax (charged)/credited to profit or loss during the year	(22,087)	42,691	110,022	1,326	(51,390)	(92,792)	1,307	(110,756)	(28,518)	(150,197)
Acquisition of subsidiaries	–	–	27	–	–	–	–	–	–	27
Gross deferred tax assets at 31 December 2023	134,193	101,454	394,526	4,523	118,204	10,245	28,097	111,340	27,263	929,845

	As at 31 December 2024									
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Unrealised profit from intercompany transactions	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	134,193	101,454	394,526	4,523	118,204	10,245	28,097	111,340	27,263	929,845
Deferred tax (charged)/credited to profit or loss during the year	(33,483)	(54,017)	14,492	16,435	275,700	37,266	6,702	214,079	21,293	498,467
Acquisition of subsidiaries	819	18,634	(676)	–	23,043	(1,624)	–	27,089	–	67,285
Disposal of subsidiaries	–	–	(8,820)	–	–	–	–	–	–	(8,820)
Gross deferred tax assets at 31 December 2024	101,529	66,071	399,522	20,958	416,947	45,887	34,799	352,508	48,556	1,486,777

	As at 31 December 2025									
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Unrealised profit from intercompany transactions	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	101,529	66,071	399,522	20,958	416,947	45,887	34,799	352,508	48,556	1,486,777
Deferred tax credited/(charged) to profit or loss during the year	7,553	113,016	302,637	(8,719)	(50,006)	(42,450)	6,142	(69,613)	23,351	281,911
Gross deferred tax assets at 31 December 2025	109,082	179,087	702,159	12,239	366,941	3,437	40,941	282,895	71,907	1,768,688

	As at 31 May 2026									
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Unrealised profit from intercompany transactions	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	109,082	179,087	702,159	12,239	366,941	3,437	40,941	282,895	71,907	1,768,688
Deferred tax credited/(charged) to profit or loss during the period	6,128	117,645	101,390	(7,216)	(7,447)	3,619	1,166	(127,350)	1,100	89,035
Gross deferred tax assets at 31 May 2026	115,210	296,732	803,549	5,023	359,494	7,056	42,107	155,545	73,007	1,857,723

The Company

	As at 31 December 2023								
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	126,717	18,153	–	362	–	18,910	36,510	28,033	228,685
Deferred tax (charged)/credited to profit or loss during the year	(30,142)	32,342	–	103	–	(18,853)	(16,792)	(28,033)	(61,375)
Gross deferred tax assets at 31 December 2023	96,575	50,495	–	465	–	57	19,718	–	167,310

	As at 31 December 2024								
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Changes in fair value	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	96,575	50,495	–	465	–	57	19,718	–	167,310
Deferred tax (charged)/credited to profit or loss during the year	(35,283)	66,813	42,492	2,241	189,091	10,705	18,445	–	294,504
Gross deferred tax assets at 31 December 2024	61,292	117,308	42,492	2,706	189,091	10,762	38,163	–	461,814

	As at 31 December 2025							
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Changes in fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	61,292	117,308	42,492	2,706	189,091	10,762	38,163	461,814
Deferred tax (charged)/credited to profit or loss during the year	(35,918)	(55,884)	61,300	(1,676)	(33,176)	(10,387)	(620)	(76,361)
Gross deferred tax assets at 31 December 2025	25,374	61,424	103,792	1,030	155,915	375	37,543	385,453

	As at 31 May 2026							
	Impairment of trade and other receivables	Impairment of inventories	Tax losses	Leases liabilities	Payroll payable	Provision	Changes in fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	25,374	61,424	103,792	1,030	155,915	375	37,543	385,453
Deferred tax credited/(charged) to profit or loss during the period	3,432	62,657	(20,683)	(45)	(6,260)	125	(28,460)	10,766
Gross deferred tax assets at 31 May 2026	28,806	124,081	83,109	985	149,655	500	9,083	396,219

The movements in deferred tax liabilities during the Relevant Periods are as follows:

The Group

	As at 31 December 2023					
	Right-of-use assets	Depreciation difference between tax and accounting	Changes in fair value	Accrued interest income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	28	465	154,600	10,938	748	166,779
Deferred tax (credited)/ charged to profit or loss during the year	(12)	(223)	(45,998)	12,145	–	(34,088)
Gross deferred tax liabilities at 31 December 2023	16	242	108,602	23,083	748	132,691

	As at 31 December 2024					
	Right-of-use assets	Depreciation difference between tax and accounting	Changes in fair value	Accrued interest income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	16	242	108,602	23,083	748	132,691
Deferred tax charged/ (credited) to profit or loss during the year	20,071	(74)	(365)	7,469	185	27,286
Acquisition of subsidiaries	–	–	752	–	(185)	567
Gross deferred tax liabilities at 31 December 2024	20,087	168	108,989	30,552	748	160,544

	As at 31 December 2025					
	Right-of-use assets	Depreciation difference between tax and accounting	Changes in fair value	Accrued interest income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	20,087	168	108,989	30,552	748	160,544
Deferred tax (credited)/charged to profit or loss during the year	(7,810)	104	291,834	(15,116)	(748)	268,264
Gross deferred tax liabilities at 31 December 2025	12,277	272	400,823	15,436	–	428,808

	As at 31 May 2026					
	Right-of-use assets	Depreciation difference between tax and accounting	Changes in fair value	Accrued interest income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	12,277	272	400,823	15,436	–	428,808
Deferred tax (credited)/charged to profit or loss during the period	(5,917)	(127)	19,712	1,036	–	14,704
Gross deferred tax liabilities at 31 May 2026	6,360	145	420,535	16,472	–	443,512

The Company

	As at 31 December 2023		
	Changes in fair value	Accrued interest income	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	35,997	6,144	42,141
Deferred tax (credited)/charged to profit or loss during the year	(22,658)	4,389	(18,269)
Gross deferred tax liabilities at 31 December 2023	13,339	10,533	23,872

	As at 31 December 2024			
	Right-of-use assets	Changes in fair value	Accrued interest income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	–	13,339	10,533	23,872
Deferred tax charged to profit or loss during the year	2,300	22,129	4,517	28,946
Gross deferred tax liabilities at 31 December 2024	2,300	35,468	15,050	52,818

	As at 31 December 2025			
	Right-of-use assets	Changes in fair value	Accrued interest income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	2,300	35,468	15,050	52,818
Deferred tax credited to profit or loss during the year	(1,476)	(125)	(13,569)	(15,170)
Gross deferred tax liabilities at 31 December 2025	824	35,343	1,481	37,648

	As at 31 May 2026			
	Right-of-use assets	Changes in fair value	Accrued Interest Income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	824	35,343	1,481	37,648
Deferred tax (credited)/charged to profit or loss during the period	(15)	17,344	2,002	19,331
Gross deferred tax liabilities at 31 May 2026	809	52,687	3,483	56,979

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group and the Company for financial reporting purposes:

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	797,566	1,350,795	1,385,659	1,447,468
Net deferred tax liabilities recognised in the consolidated statement of financial position	412	24,562	45,779	33,257

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	143,438	411,296	348,629	340,049
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	2,300	824	809

30. SHARE CAPITAL

The Group and the Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid:				
ordinary shares	3,387,453	3,387,453	3,387,453	3,387,453

31. PERPETUAL SECURITIES

In June, August and November 2025 and in May 2026, the Company issued perpetual securities with a total carrying value of RMB2,800 million.

The initial period is three years, and the Company has the right to extend for another three years at each period end, if the Company does not exercise the extension option, the securities shall be redeemed in full upon maturity.

The interest rates of the securities for the first three years are 2.82% for 2025 Domestic Perpetual Securities Series 1, 2.75% for 2025 Domestic Perpetual Securities Series 2, 2.53% for 2025 Domestic Perpetual Securities Series 3, and 2.09% for 2026 Domestic Perpetual Securities Series 1, resetting every 3 years. The rates are determined by a benchmark rate plus a spread. The initial spreads are the difference between the interest rate and the benchmark rate as determined at the time of issuance. The spread will not be adjusted once determined during the duration period. The interest rate applicable to the repricing period will be adjusted to the benchmark rate plus the initial spread and plus 300 basis points.

The Group has the right to defer the payment of interest, provided that within the 12 months prior to the interest payment, the Group has not distributed dividends to its common shareholders (excluding the mandatory payment of state-owned capital gains as per regulations), or reduced its registered capital.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

Statutory surplus reserve

In accordance with the Company Law of the People's Republic of China, each company in the PRC is required to allocate 10% of its statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. Subject to approval from the relevant PRC authorities, the statutory surplus reserve may be used to offset any accumulated losses or to increase the registered capital of the company. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

General reserve

Pursuant to the requirements of regulatory authorities, including the Ministry of Finance and the China Securities Regulatory Commission, a subsidiary is required to appropriate 10% of its profit for the year for the general reserve.

The Company

	Capital reserve	Statutory surplus reserve	Accumulated profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,510,249	607,482	8,992	2,126,723
Total comprehensive income for the year	–	–	922,459	922,459
Distribution to shareholders	–	–	(747,271)	(747,271)
Profit appropriation to reserve	–	92,246	(92,246)	–
At 31 December 2023 and 1 January 2024	1,510,249	699,728	91,934	2,301,911
Total comprehensive income for the year	–	–	628,848	628,848
Distribution to shareholders	–	–	(649,714)	(649,714)
Profit appropriation to reserve	–	62,884	(62,884)	–
At 31 December 2024 and 1 January 2025	1,510,249	762,612	8,184	2,281,045
Total comprehensive income for the year	–	–	669,199	669,199
Distribution to shareholders	–	–	(572,818)	(572,818)
Profit appropriation to reserve	–	66,920	(66,920)	–
Issuance of perpetual securities	(2,070)	–	–	(2,070)
Interest on perpetual securities recognised as distribution	–	–	(20,718)	(20,718)
Intra-group reorganisation under common control without consideration*	76,500	–	–	76,500
At 31 December 2025 and 1 January 2026	1,584,679	829,532	16,927	2,431,138
Total comprehensive income for the period	–	–	166,865	166,865
Profit appropriation to reserve	–	16,687	(16,687)	–
Issuance of perpetual securities	(580)	–	–	(580)
Interest on perpetual securities recognised as distribution	–	–	(41,122)	(41,122)
At 31 May 2026	1,584,099	846,219	125,983	2,556,301
At 1 January 2025	1,510,249	762,612	8,184	2,281,045
Total comprehensive income for the period (unaudited)	–	–	378,980	378,980
Profit appropriation to reserve (unaudited)	–	37,898	(37,898)	–
At 31 May 2025 (unaudited)	1,510,249	800,510	349,266	2,660,025

* A company wholly owned by the Company transferred its equity interests in three subsidiaries to the Company without consideration.

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2023, 2024, 2025 and 31 May 2026	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	%	%
Percentage of equity interest held by non-controlling interests	49	49

2023	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Profit for the year allocated to non-controlling interests	59,043	34,693
Accumulated balances of non-controlling interests at the reporting date	595,638	1,503,110

2024	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Profit for the year allocated to non-controlling interests	180,453	2,055
Accumulated balances of non-controlling interests at the reporting date	711,729	1,505,165

2025	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Profit/(loss) for the year allocated to non-controlling interests	259,739	(70,189)
Accumulated balances of non-controlling interests at the reporting date	777,077	1,434,976

31 May 2026	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Profit/(loss) for the period allocated to non-controlling interests	20,410	(10,900)
Accumulated balances of non-controlling interests at the reporting date	695,341	1,424,077

The following tables illustrate the summarised financial information of the above subsidiaries.

2023	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Current assets	4,553,191	1,270,048
Non-current assets	57,571	2,643,652
Current liabilities	3,393,254	806,111
Non-current liabilities	1,921	40,018
Revenue	30,420,688	692,744
Profit for the year	120,496	70,802
Net cash flows from operating activities	224,816	337,732
Net cash flows used in investing activities	(300)	(469,958)
Net cash flows (used in)/from financing activities	(225,022)	145,490
Net (decrease)/increase in cash and cash equivalents	(506)	13,264

2024	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Current assets	3,819,132	1,180,527
Non-current assets	68,809	2,396,869
Current liabilities	2,267,420	485,103
Non-current liabilities	168,013	20,528
Revenue	34,672,936	466,485
Profit for the year	368,271	4,194
Net cash flows from operating activities	134,818	421,150
Net cash flows used in investing activities	–	(46,220)
Net cash flows used in financing activities	(118,965)	(380,744)
Net increase/(decrease) in cash and cash equivalents	2,512	(5,990)

2025	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Current assets	4,076,444	1,107,038
Non-current assets	76,731	1,998,587
Current liabilities	2,567,304	172,169
Non-current liabilities	–	4,933
Revenue	27,370,622	218,509
Profit/(loss) for the year	530,080	(143,242)
Net cash flows from/(used in) operating activities	424,893	(326,755)
Net cash flows (used in)/from investing activities	(8,617)	350,919
Net cash flows used in financing activities	(414,477)	(11,613)
Net increase in cash and cash equivalents	1,799	12,639

31 May 2026	Zhejiang Four Bung Industrial Co., Ltd.	Hangzhou CIEC Anzhi Technology Co., Ltd.
	RMB'000	*RMB'000*
Current assets	5,813,550	1,178,504
Non-current assets	79,452	1,859,915
Current liabilities	4,473,938	126,123
Non-current liabilities	–	6,018
Revenue	11,711,681	91,468
Profit/(loss) for the period	41,653	(22,244)
Net cash flows from/(used in) operating activities	147,803	(87,541)
Net cash flows from investing activities	–	117,827
Net cash flows used in financing activities	(31,385)	(7,183)
Net increase in cash and cash equivalents	123,276	22,852

34. BUSINESS COMBINATION

On 31 October 2024, the Group purchased 51% equity interest in Hangzhou Guoyu International Trade Co., Ltd. ("Hangzhou Guoyu") from Hangzhou State Owned Capital Investment and Operation Co., Ltd., independent third party, at a consideration of RMB183,306,000. The acquisition was made as part of the Group's strategy to expand its market share. The Company's aggregate shareholding interest in Hangzhou Guoyu then increased from 49% to 100% and Hangzhou Guoyu became a subsidiary of the Group.

The fair values of the assets and liabilities of Hangzhou Guoyu as at 31 October 2024 were as follows:

	As at 31 October 2024
	RMB'000
Cash and cash equivalents	229,030
Pledged short-term deposits	419,504
Trade and notes receivables	254,078
Prepayments, other receivables and other assets	742,693
Inventories	965,033
Property, plant and equipment	2,061
Intangible assets	418
Deferred tax assets	67,285
Derivative financial instruments	(135,064)
Interest-bearing loans and other borrowings	(686,330)
Trade and notes payables	(562,505)
Contract liabilities	(559,623)
Other payables, accruals and other current liabilities	(200,396)
Tax payable	(58,253)
Provision	(11,155)
Deferred tax liabilities	(567)
Total identifiable net assets at fair value	466,209
Non-controlling interests	(104,706)
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	1,061
Satisfied by:	
Cash	183,306
The fair value of shareholding interests previously held and classified as associates	177,136

An analysis of the cash flows in respect of the acquisition of Hangzhou Guoyu is as follows:

	As at 31 October 2024
	RMB'000
Cash consideration	(183,306)
Cash and cash equivalents acquired	229,030
Net inflow of cash and cash equivalents included in cash flows from investing activities	45,724

The receivables acquired (which comprised trade and notes receivables, prepayments, other receivables and other assets) with a fair value of RMB996,771,000 at the dates of acquisition had the net carrying amount of RMB996,771,000 (gross contractual amount of RMB 1,001,295,000), which were expected to be fully collected.

Since the acquisition, the subsidiary contributed RMB2,187,275,000 to the Group's revenue and a profit of RMB27,009,000 to the consolidated profit for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit attributable to owners of the parent for the year would have been RMB284,559,835,000 and RMB955,906,000, respectively.

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

The Group had non-cash additions to right-of-use assets of RMB103,053,000, RMB22,107,000, RMB24,492,000 and RMB11,649,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, the Group had non-cash additions to lease liabilities of RMB43,263,000, RMB22,107,000, RMB24,492,000 and RMB11,649,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, in respect of lease arrangements for office premises and plant.

(b) Changes in liabilities arising from financing activities

	Interest-bearing loans and other borrowings	Lease liabilities	Other payables, accruals and other current liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	15,257,891	340,991	3,304,416	18,903,298
Changes from financing cash flows	3,432,881	(217,965)	(954,118)	2,260,798
New leases	–	43,263	–	43,263
Reassessment as a result of lease modifications	–	7,358	–	7,358
Early termination	–	(19,893)	–	(19,893)
Interest expense	909,466	10,738	–	920,204
Others	(129,703)	127	1,548,207	1,418,631
At 31 December 2023 and 1 January 2024	19,470,535	164,619	3,898,505	23,533,659
Changes from financing cash flows	1,393,212	(88,785)	(959,064)	345,363
New leases	–	22,107	–	22,107
Reassessment as a result of lease modifications	–	(1,410)	–	(1,410)
Early termination	–	(15,730)	–	(15,730)
Interest expense	916,326	5,851	–	922,177
Others	395,279	–	2,549,577	2,944,856
At 31 December 2024 and 1 January 2025	22,175,352	86,652	5,489,018	27,751,022
Changes from financing cash flows	3,167,571	(44,480)	(1,027,949)	2,095,142
New leases	–	24,492	–	24,492
Reassessment as a result of lease modifications	–	(1,219)	–	(1,219)
Early termination	–	(8,853)	–	(8,853)
Interest expense	735,398	3,361	–	738,759
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	–	–	(289,524)	(289,524)
At 31 December 2025 and 1 January 2026	26,078,321	59,953	4,173,413	30,311,687
Changes from financing cash flows	8,836,028	(15,220)	(188,531)	8,632,277
New leases	–	11,649	–	11,649
Reassessment as a result of lease modifications	–	(10,021)	–	(10,021)
Early termination	–	(1,220)	–	(1,220)
Interest expense	350,235	920	–	351,155
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	–	–	701,129	701,129
At 31 May 2026	35,264,584	46,061	4,687,879	39,998,524

	Interest-bearing loans and other borrowings	Lease liabilities	Other payables, accruals and other current liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	22,175,352	86,652	5,489,018	27,751,022
Changes from financing cash flows (unaudited)	2,735,756	(16,188)	(319,725)	2,399,843
New leases (unaudited)	–	4,906	–	4,906
Interest expense (unaudited)	331,674	1,786	–	333,460
Others (unaudited)	–	–	(262,365)	(262,365)
At 31 May 2025 (unaudited)	25,242,782	77,156	4,906,928	30,226,866

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	22,203	21,582	27,261	11,231	14,196
Within financing activities	217,965	88,785	44,480	16,188	15,220
Total	240,168	110,367	71,741	27,419	29,416

36. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans, letters of credit, notes and futures margin deposits are included in notes 14, 18, 20 and 22.

37. RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the transactions detailed elsewhere in the Historical Financial Information in notes 15, 19, 20, 23, 24 and 25, the Group had the following material transactions with related parties during the Relevant Periods:

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sales of products and services						
– Associates	*(i)*	3,008,838	4,541,424	3,618,790	1,727,320	1,031,250
– The fellow subsidiaries	*(i)*	302,675	158	354	354	–
		3,311,513	4,541,582	3,619,144	1,727,674	1,031,250
Purchases of products and services						
– Associates	*(i)*	4,704,076	5,170,651	4,381,601	1,646,211	1,363,771
– The fellow subsidiaries	*(i)*	227,251	434,289	24,855	5,668	86,663
		4,931,327	5,604,940	4,406,456	1,651,879	1,450,434

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Lease payments – The controlling shareholder	*(ii)*	10,599	6,669	3,485	1,476	1,491
Lease interest expenses – The controlling shareholder	*(ii)*	611	1,369	790	443	202
Interest expenses – The controlling shareholder	*(iii)*	12,977	32,046	8,169	6,670	1,200
Loans from – The controlling shareholder	*(iii)*	10,350,000	12,740,000	8,200,000	3,200,000	2,000,000
Collection on behalf of – The controlling shareholder	*(iv)*	–	848,123	1,299,727	–	–

Notes:

(i) The sales and purchase of products to the related parties were made according to terms agreed between the parties. The amounts of sales of products and services represent the receivables generated from sales.

(ii) The payments and interests were charged with reference to prices mutually agreed between the parties.

(iii) The loans from the controlling shareholder bear interest at the rate of 3.3% to 3.9% per annum. The balance were unsecured and repayable on demand.

(iv) The Company entered into a series of asset transfer agreements (the "Assets Transfer Arrangements") and transferred trade receivables to the controlling shareholder. Under the arrangement, the Company collected the trade receivables on behalf of the controlling shareholder. As at 31 December 2023, 2024 and 2025 and 31 May 2026, the carrying amounts of transferred trade receivables under the relevant agreements were RMB381,914,000, RMB537,782,000, nil and nil. During the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the carrying amounts of collection on behalf of the controlling shareholder were nil RMB848,123,000, RMB1,299,727,000, and nil.

(b) Outstanding balances with related parties:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade nature:				
Trade and notes receivables – Associates	48,442	58,030	1,249	72
Prepayments, other receivables and other assets				
– Associates	296,661	71,578	100,927	425,675
– The controlling shareholder	22,935	8,831	2,085	2,268
– The fellow subsidiary	–	–	–	8,826
	319,596	80,409	103,012	436,769

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and notes payables				
– Associates	720,856	353,123	257,921	586,219
– The fellow subsidiary	6,338	27,441	–	–
	727,194	380,564	257,921	586,219
Lease liabilities				
– The controlling shareholder	13,035	17,222	8,333	7,045
Other payables, accruals and other current liabilities				
– Associates	5,204	6,436	1,289	511
– Substantial shareholder	–	4,000	4,000	–
– The fellow subsidiary	14,500	–	–	–
	19,704	10,436	5,289	511
Contract liabilities				
– Associates	64,286	86,664	90,239	235,760
– The fellow subsidiary	–	–	92,016	54,326
	64,286	86,664	182,255	290,086
Non-trade nature:				
Other payables, accruals and other current liabilities				
– The controlling shareholder	39,084	111,130	–	–

(c) Other transactions with related parties:

The controlling shareholder has guaranteed certain of interest-bearing loans and other borrowings made to the Group, amounting to RMB3,777,849,000 as at 31 December 2023 and amounting to USD97,096,000 and RMB3,371,096,000 as at 31 December 2024 and amounting to USD153,096,000 and RMB3,233,861,000 as at 31 December 2025 and amounting to RMB2,439,150,000 as at 31 May 2026.

The controlling shareholder has guaranteed certain of the letters of credit made to the Group, amounting to USD114,437,000, RMB2,985,676,000, EUR6,048,000, and GBP183,000 as at 31 December 2023 and USD142,895,000, RMB3,699,269,000, and EUR6,048,000 as at 31 December 2024 and USD113,651,000, RMB4,111,674,000 and EUR6,048,000 as at 31 December 2025 and USD1,783,000, RMB833,018,000 and EUR6,048,000 as at 31 May 2026.

The controlling shareholder has guaranteed certain of the note payables made the Group, amounting to RMB6,207,674,000, RMB5,640,780,000, RMB3,167,402,000 and RMB1,199,784,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

The controlling shareholder has guaranteed certain of the guarantee letter made to the Group, amounting to RMB1,243,000, RMB142,370,000, RMB105,800,000 and RMB100,800,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	17,685	19,327	15,497	5,566	5,738
Pension scheme contributions	190	229	217	85	93
Total	17,875	19,556	15,714	5,651	5,831

Further details of directors' and the chief executive's remuneration are included in note 9 to the Historical Financial Information.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at amortised cost:				
Trade and notes receivables	4,981,271	6,180,146	5,106,927	5,026,829
Financial assets included in prepayments, other receivables and other assets	4,633,705	4,540,209	6,552,100	5,772,092
Pledged deposits	6,304,581	4,502,287	3,496,749	4,674,729
Restricted cash	40,152	27,760	26,978	36,748
Cash and cash equivalents	3,157,974	4,225,866	3,445,485	6,267,035
Total	19,117,683	19,476,268	18,628,239	21,777,433
Financial assets at fair value through other comprehensive income:				
Notes receivable	161,484	219,052	477,898	1,363,426
Financial assets at fair value through profit or loss:				
Financial assets at fair value through profit or loss	476,337	600,740	1,327,212	4,139,110
Financial assets included in prepayments, other receivables and other assets	301,834	382,192	2,177,285	3,625,289
Derivative financial instruments	1,072,081	890,998	724,360	770,059
Total	1,850,252	1,873,930	4,228,857	8,534,458

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities				
Financial liabilities at amortised cost:				
Trade and notes payables	7,218,507	7,784,394	6,928,439	8,069,182
Financial liabilities included in other payables, accruals and other current liabilities	1,323,707	999,260	1,223,477	1,356,735
Interest-bearing loans and other borrowings	19,470,535	22,175,352	26,078,321	35,264,584
Total	28,012,749	30,959,006	34,230,237	44,690,501
Financial liabilities at fair value through profit or loss:				
Financial liabilities included in other payables, accruals and other current liabilities	14,972	1,474,042	86,513	419,541
Derivative financial instruments	924,143	682,283	1,573,874	444,239
Total	939,115	2,156,325	1,660,387	863,780

39. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

(a) At the end of each of the Relevant Periods, the Group endorsed certain notes receivable accepted by certain banks in the PRC (the "Endorsed Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of nil, RMB667,000, RMB40,772,000 and RMB166,869,000 (the "Endorsement"), respectively. In addition, the Group discounted certain notes receivable accepted by certain banks in the PRC (the "Discounted Notes") with carrying amounts in aggregate of RMB8,816,449,000, RMB8,626,523,000, RMB8,883,714,000 and RMB10,438,224,000, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Discounted Notes and the associated borrowings. Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Notes, including the sale, transfer or pledge of the Discounted Notes to any other third parties.

(b) As part of its normal business, the Group entered into trade receivable factoring arrangements (the "Factoring Arrangements") and transferred certain trade receivables to financial institutions. Under the Factoring Arrangements, the Group may be required to reimburse the financial institution the credit loss if any trade debtors have defaulted payment or late payment up to 30 days. Under the Factoring Arrangements, the Group has retained the substantial risks and rewards, which include credit risks, and accordingly, it continued to recognise the full carrying amounts of the trade receivables and the associated borrowings. The carrying amount of the assets that the Group continued to recognise as at 31 December 2023, 2024 and 2025 and 31 May 2026 were RMB897,506,000, RMB149,234,000, RMB64,672,000 and RMB29,463,000, respectively, and those of the associated liabilities (borrowing recognised) as at 31 December 2023, 2024 and 2025 and 31 May 2026 were RMB897,506,000, RMB149,234,000, RMB64,672,000 and RMB29,463,000, respectively.

Transferred financial assets that are derecognised in their entirety

(a) At the end of each of the Relevant Periods, the Group endorsed certain notes receivable accepted by certain banks in the PRC (the "Endorsed Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB318,597,000, RMB691,450,000, RMB1,688,700,000 and RMB1,457,076,000 (the "Endorsement"), respectively. In addition, the Group discounted certain notes receivable accepted by certain banks in the PRC (the "Discounted Notes") with carrying amounts in aggregate of RMB897,479,000, RMB2,685,220,000, RMB5,991,534,000 and RMB5,466,413,000 (the "Discount"), respectively. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes and Discounted Notes have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, at the end of each of the Relevant Periods, the Group has transferred substantially all the risks and rewards relating to certain of the Endorsed Notes with amounts of RMB318,597,000, RMB691,450,000, RMB1,688,700,000 and RMB1,457,076,000, respectively, and Discounted Notes with amounts of RMB897,479,000, RMB2,685,220,000, RMB5,991,534,000 and RMB5,466,413,000 accepted by large and reputable banks (the "Derecognised Notes"), respectively. Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes and the associated trade payables settled by the Endorsed Notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

(b) As part of its normal business, the Group entered into trade receivable factoring arrangements and transferred certain trade receivables to financial institutions. Under certain receivable factoring agreements, the Group is not required to undertake default risks and the delayed repayment risk from the debtors after the transfer of receivables, and all risks and rewards related to the ownership of the receivables are transferred. Since the definition of termination of financial assets is met, the Group derecognised the receivables under the factoring agreements at carrying amount. As at 31 December 2023, 2024 and 2025 and 31 May 2026, the carrying amounts of transferred receivables under the factoring agreements were RMB188,091,000, RMB1,128,224,000, RMB1,068,856,000 and RMB846,781,000, and during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the loss related to derecognition amounted to RMB4,987,000, RMB23,071,000, RMB24,588,000 and RMB18,465,000, respectively.

(c) As part of its normal business, the Group entered into forfaiting factoring arrangements and transferred certain trade receivables to financial institutions. Under certain receivable factoring, the Group is not required to undertake default risks and the delayed repayment risk from the debtors after the transfer of receivables, and all risks and rewards related to the ownership of the receivables are transferred. Since the definition of termination of financial assets is met, the Group derecognised the receivables under the factoring agreements at carrying amount. As at 31 December 2023, 2024 and 2025 and 31 May 2026, the carrying amounts of transferred receivables under the factoring agreements were RMB141,639,000, RMB123,754,000, RMB192,401,000 and RMB150,956,000, and during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the loss related to derecognition amounted to RMB1,077,000, RMB685,000, RMB997,000 and RMB758,000, respectively.

(d) As part of its normal business, the Group entered into a series of asset transfer agreements (the "Assets Transfer Arrangements"). Under the agreements, the Group is not required to undertake default risks and the delayed repayment risk from the debtors after the transfer of receivables, and all risks and rewards related to the ownership of the receivables are transferred. Therefore, the Group derecognised the trade receivables under the agreements at carrying amount. As at 31 December 2023, 2024 and 2025 and 31 May 2026, the carrying amounts of transferred trade receivables under the relevant agreements were RMB381,914,000, RMB537,782,000, nil and nil, and during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the loss related to derecognition amounted to RMB6,002,000, RMB7,296,000, nil and nil, respectively.

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025 and 31 May 2026:

	Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
Unlisted equity investments	asset-based valuation technique	Net assets	2023:10% increase/decrease in net assets would result in increase/decrease in fair value by RMB21,434,000
Unlisted equity investments	asset-based valuation technique	Net assets	2024:10% increase/decrease in net assets would result in increase/decrease in fair value by RMB18,917,000
Unlisted equity investments	asset-based valuation technique	Net assets	2025:10% increase/decrease in net assets would result in increase/decrease in fair value by RMB15,882,000
Unlisted equity investments	asset-based valuation technique	Net assets	31 May 2026: increase/decrease in net assets would result in increase/decrease in fair value by RMB14,939,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
Financial assets at fair value through profit or loss	–	261,996	214,341	476,337
Notes receivable	–	161,484	–	161,484
Financial assets included in prepayments, other receivables and other assets	301,834	–	–	301,834
Derivative financial instruments	956,926	115,155	–	1,072,081
Total	1,258,760	538,635	214,341	2,011,736

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Financial assets at fair value through profit or loss	–	411,573	189,167	600,740
Notes receivable	–	219,052	–	219,052
Financial assets included in prepayments, other receivables and other assets	382,192	–	–	382,192
Derivative financial instruments	720,182	170,816	–	890,998
Total	1,102,374	801,441	189,167	2,092,982

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025				
Financial assets at fair value through profit or loss	292,917	875,480	158,815	1,327,212
Notes receivable	–	477,898	–	477,898
Financial assets included in prepayments, other receivables and other assets	2,177,285	–	–	2,177,285
Derivative financial instruments	619,850	104,510	–	724,360
Total	3,090,052	1,457,888	158,815	4,706,755

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 May 2026				
Financial assets at fair value through profit or loss	330,760	3,658,963	149,387	4,139,110
Notes receivable	–	1,363,426	–	1,363,426
Financial assets included in prepayments, other receivables and other assets	3,625,289	–	–	3,625,289
Derivative financial instruments	617,631	152,428	–	770,059
Total	4,573,680	5,174,817	149,387	9,897,884

The movements in fair value measurements within Level 3 during the reporting period are as follows:

	Unlisted equity investments, at fair value
	RMB'000
Financial assets at fair value through profit or loss	
At 1 January 2023	187,038
Additions	21,038
Change in fair value of financial assets at fair value through profit or loss	39,894
Disposals	(33,629)
At 31 December 2023 and at 1 January 2024	214,341
Change in fair value of financial assets at fair value through profit or loss	6,973
Disposals	(32,147)
At 31 December 2024 and at 1 January 2025	189,167
Change in fair value of financial assets at fair value through profit or loss	4,924
Disposals	(35,276)
At 31 December 2025 and 1 January 2026	158,815
Change in fair value of financial assets at fair value through profit or loss	(9,428)
At 31 May 2026	149,387

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
Financial liabilities included in other payables, accruals and other current liabilities	14,972	–	–	14,972
Derivative financial instruments	843,552	80,591	–	924,143
Total	858,524	80,591	–	939,115

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Financial liabilities included in other payables, accruals and other current liabilities	1,474,042	–	–	1,474,042
Derivative financial instruments	415,173	267,110	–	682,283
Total	1,889,215	267,110	–	2,156,325

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025				
Financial liabilities included in other payables, accruals and other current liabilities	86,513	–	–	86,513
Derivative financial instruments	1,533,335	40,539	–	1,573,874
Total	1,619,848	40,539	–	1,660,387

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 May 2026				
Financial liabilities included in other payables, accruals and other current liabilities	419,541	–	–	419,541
Derivative financial instruments	422,911	21,328	–	444,239
Total	842,452	21,328	–	863,780

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and notes receivable, amounts due from related parties, financial assets included in prepayments, other receivables and other assets, trade and notes payables, amounts due to related parties and financial liabilities included in other payables, accruals and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of interest-bearing loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk as at the end of each of the Relevant Periods were assessed to be insignificant.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments measured at fair value through profit or loss have been estimated using an asset-based valuation technique based on assumptions that are not supported by observable market prices or rates. Changes in unobservable parameters will not have significant impact on the fair value of the unlisted equity instruments.

The fair value of unlisted investments, which represent wealth management products issued by several certified financial institutions in Chinese mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group's derivative financial instruments mainly include commodity derivatives and forward currency contracts.

The fair values of the commodity derivative futures and options represents the difference between the quoted market price of commodity derivative contracts at the period end and the quoted price at inception of the contracts.

The fair value of foreign currency forward, options or futures are measured using valuation techniques similar to the discounted cash flow model. The models incorporate various market observable inputs including foreign exchange spot ratio, forward rates, risk-free interest rate curves and implied volatility of the foreign exchange rate. The carrying amounts of forward currency contracts are the same as their fair values.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalent and interest-bearing loans. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivable and trade and notes payables, derivatives which arise directly from its operations.

The main risks arising from the Group's financial instruments are commodity price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing these risks and they are summarised below.

Commodity price risk

The Group is exposed to price movements for the commodity firm commitments and inventories. The Group manages a significant portion of these exposure through commodity futures or options transactions to the extent available. While it is the Group's policy to substantially hedge its commodity price risks, there remains the possibility that the hedging instruments chosen may not always provide effective mitigation of the underlying price risk.

The fair value fluctuation risks of the derivative financial assets and liabilities faced by the Group are mainly related to the commodity futures contracts priced based on market quotations held by the Group.

For certain trading strategies involving price risk exposure, the Group apply differentiated exposure limits to ensure that price risks remain proportionate to the underlying commercial objectives and within the Group's overall risk tolerance. The Group's risk management committee conducts annual risk budgeting to determine exposure limits for each trading team. Such exposure limits are set with reference to factors such as the types of commodities traded, historical performance and volatility characteristics. During execution, each trading team is required to monitor its price risk exposure on a daily basis to assess whether its exposure remains within the approved limits. The Group's risk management department independently monitors overall exposure levels and compliance with the approved limits. Ex post, where exposure limits are approached or reached, corresponding risk control measures are promptly implemented, which may include restricting exposure expansion, adjusting trading strategies or suspending further trading activities.

Fair value hedge — Commodity price risk

During the Relevant Periods, the Group entered into a series of commodity futures contracts to hedge against the commodity price risks involved in inventories and commodity firm commitments. There is an economic relationship between the hedged item and the hedging instrument as commodities have active market transactions and the varieties of the commodity firm commitments are highly similar to the commodity futures contracts. The Group has established a hedge ratio of approximately 1:1 or 1:1.13 (when there is an impact of value-added tax) for the hedging relationships as the underlying risk of the commodity futures contracts is identical to that of the hedged risk. To test the hedge effectiveness, the Group uses the regression analysis method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- differences in the timing of cash flows of the hedged item and the hedging instrument
- differences in the fluctuation of the basis price of the hedged item and the hedging instrument

The impact of the hedging instrument on the statements of financial position is as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2023				
Commodity futures	1,193,470	(52,016)	Derivative financial instruments	(52,016)

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2024				
Commodity futures	10,791,610	663,568	Derivative financial instruments	3,132,375

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2025				
Commodity futures	5,916,390	(840,872)	Derivative financial instruments	1,033,705

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the period
	RMB'000	*RMB'000*		*RMB'000*
As at 31 May 2025				
Commodity futures (unaudited)	17,343,963	1,641,079	Derivative financial instruments (unaudited)	2,976,983

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the period
	RMB'000	*RMB'000*		*RMB'000*
As at 31 May 2026				
Commodity futures	6,307,718	(614,533)	Derivative financial instruments	(2,118,231)

The impact of the hedged items on the statements of financial position is as follows:

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2023				
Inventories	15,196	772	Inventories	772
Commodity firm commitments	57,109	57,109	Prepayments, other receivables and other assets	57,109
Commodity firm commitments	(14,972)	(14,972)	Other payables, accruals and other current liabilities	(14,972)

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2024				
Inventories	223,896	2,467	Inventories	(1,845,059)
Commodity firm commitments	8,169	8,169	Prepayments, other receivables and other assets	8,169
Commodity firm commitments	(1,474,042)	(1,474,042)	Other payables, accruals and other current liabilities	(1,474,042)

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
	RMB'000	*RMB'000*		*RMB'000*
As at 31 December 2025				
Inventories	988,053	410,170	Inventories	(1,424,125)
Commodity firm commitments	738,747	738,747	Prepayments, other receivables and other assets	738,747
Commodity firm commitments	(86,513)	(86,513)	Other payables, accruals and other current liabilities	(86,513)

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the period
	RMB'000	*RMB'000*		*RMB'000*
As at 31 May 2025				
Inventories (unaudited)	–	–	Inventories (unaudited)	(1,466,595)
Commodity firm commitments (unaudited)	38,704	38,704	Prepayments, other receivables and other assets (unaudited)	38,704
Commodity firm commitments (unaudited)	(1,887,723)	(1,887,723)	Other payables, accruals and other current liabilities (unaudited)	(1,887,723)

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the period
	RMB'000	*RMB'000*	*RMB'000*	
As at 31 May 2026				
Inventories	498,773	134,742	Inventories	1,734,152
Commodity firm commitments	1,022,488	1,022,488	Prepayments, other receivables and other assets	1,022,488
Commodity firm commitments	(419,541)	(419,541)	Other payables, accruals and other current liabilities	(419,541)

During the Relevant Periods, the accumulated amounts of fair value hedge adjustments remaining in the statement of financial position for hedged items that have ceased to be adjusted for hedging gains and losses were nil, RMB1,847,526,000(loss), RMB1,834,295,000(loss) and RMB1,599,410,000(gain), respectively.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

As at 31 December 2023

	Increase/(decrease) in basis point	Increase/(decrease) in profit before tax
	%	*RMB'000*
RMB	0.5	(11,037)
RMB	(0.5)	11,037

As at 31 December 2024

	Increase/(decrease) in basis point	Increase/(decrease) in profit before tax
	%	*RMB'000*
RMB	0.5	(7,597)
RMB	(0.5)	7,597

As at 31 December 2025

	Increase/(decrease) in basis point	Increase/(decrease) in profit before tax
	%	*RMB'000*
RMB	0.5	(6,587)
RMB	(0.5)	6,587

As at 31 May 2026

	Increase/(decrease) in basis point	Increase/(decrease) in profit before tax
	%	*RMB'000*
RMB	0.5	(5,778)
RMB	(0.5)	5,778

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk through foreign currency forwards, options or futures.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (arising from USD and RMB denominated financial instruments).

As at 31 December 2023

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax
	%	*RMB'000*
If the RMB weakens against the USD	5	180,945
If the RMB strengthens against the USD	(5)	(180,945)

As at 31 December 2024

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax
	%	*RMB'000*
If the RMB weakens against the USD	5	187,563
If the RMB strengthens against the USD	(5)	(187,563)

As at 31 December 2025

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax
	%	*RMB'000*
If the RMB weakens against the USD	5	38,454
If the RMB strengthens against the USD	(5)	(38,454)

As at 31 May 2026

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in profit before tax
	%	*RMB'000*
If the RMB weakens against the USD	5	103,224
If the RMB strengthens against the USD	(5)	(103,224)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	5,530,515	5,530,515
Notes receivable*	–	–	–	182,035	182,035
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,940,578	–	–	–	4,940,578
– Doubtful**	–	–	6,766	–	6,766
Pledged deposits	6,304,581	–	–	–	6,304,581
Restricted cash	40,152	–	–	–	40,152
Cash and cash equivalents	3,157,974	–	–	–	3,157,974
Total	14,443,285	–	6,766	5,712,550	20,162,601

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	6,478,528	6,478,528
Notes receivable*	–	–	–	310,000	310,000
Financial assets included in prepayments, other receivables and other assets					
– Normal**	4,968,553	–	–	–	4,968,553

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
– Doubtful**	–	–	6,766	–	6,766
Pledged deposits	4,502,287	–	–	–	4,502,287
Restricted cash	27,760	–	–	–	27,760
Cash and cash equivalents	4,225,866	–	–	–	4,225,866
Total	13,724,466	–	6,766	6,788,528	20,519,760

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	5,533,781	5,533,781
Notes receivable*	–	–	–	512,105	512,105
Financial assets included in prepayments, other receivables and other assets					
– Normal**	8,791,961	–	–	–	8,791,961
– Doubtful**	–	–	–	–	–
Pledged deposits	3,496,749	–	–	–	3,496,749
Restricted cash	26,978	–	–	–	26,978
Cash and cash equivalents	3,445,485	–	–	–	3,445,485
Total	15,761,173	–	–	6,045,886	21,807,059

As at 31 May 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	5,501,440	5,501,440
Notes receivable*	–	–	–	1,400,558	1,400,558
Financial assets included in prepayments, other receivables and other assets					
– Normal**	9,463,671	–	–	–	9,463,671
– Doubtful**	–	–	–	–	–
Pledged deposits	4,674,729	–	–	–	4,674,729
Restricted cash	36,748	–	–	–	36,748
Cash and cash equivalents	6,267,035	–	–	–	6,267,035
Total	20,442,183	–	–	6,901,998	27,344,181

* For trade and notes receivable to which the Group applies the simplified approach for impairment, further summary details of which are included in note 19 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's objective is to maintain a balance between continuity of funding and flexibility through equity and debt financing.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	Within 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables	7,218,507	–	7,218,507
Financial liabilities included in other payables, accruals and other current liabilities	1,338,679	–	1,338,679
Interest-bearing loans and other borrowings	19,133,088	517,041	19,650,129
Lease liabilities	84,904	94,403	179,307
Derivative financial instruments	924,143	–	924,143
Total	28,699,321	611,444	29,310,765

As at 31 December 2024

	Within 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables	7,784,394	–	7,784,394
Financial liabilities included in other payables, accruals and other current liabilities	2,473,302	–	2,473,302
Interest-bearing bank and other borrowings	21,778,195	525,768	22,303,963
Lease liabilities	35,780	60,662	96,442
Derivative financial instruments	682,283	–	682,283
Total	32,753,954	586,430	33,340,384

As at 31 December 2025

	Within 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables	6,928,439	–	6,928,439
Financial liabilities included in other payables, accruals and other current liabilities	1,309,990	–	1,309,990
Interest-bearing bank and other borrowings	25,746,444	458,523	26,204,967
Lease liabilities	28,731	37,263	65,994
Derivative financial instruments	1,573,874	–	1,573,874
Total	35,587,478	495,786	36,083,264

As at 31 May 2026

	Within 1 year	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables	8,069,182	–	8,069,182
Financial liabilities included in other payables, accruals and other current liabilities	1,776,276	–	1,776,276
Interest-bearing bank and other borrowings	35,006,873	448,083	35,454,956
Lease liabilities	23,562	24,897	48,459
Derivative financial instruments	444,239	–	444,239
Total	45,320,132	472,980	45,793,112

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is total debt divided by the total assets. Total debt includes current liabilities and non-current liabilities. Total assets include current assets and non-current assets.

The gearing ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total debt	36,941,808	43,274,482	46,655,304	59,750,510
Total assets	46,160,607	53,310,576	59,171,291	73,095,608
Gearing ratio	80.03%	81.17%	78.85%	81.74%

42. EVENTS AFTER THE RELEVANT PERIODS

There were no other significant events that required additional disclosure or adjustments occurred after the end of the Relevant Periods.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 May 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

The income tax and capital gains tax for H Share holders are determined according to the laws and customary practices of China and the jurisdiction where the H Share holder is resident or otherwise liable for tax. The following summary of certain relevant tax provisions is based on current laws and practices and does not consider anticipated changes or amendments to relevant laws and policies. This discussion is not intended to cover all tax consequences that may arise from investing in H Shares, nor does it consider the specific circumstances of any individual investor, and some of these circumstances may be subject to special rules. Therefore, you should consult your own tax advisor regarding the tax consequences of investing in H Shares. This discussion is based on laws and relevant interpretations effective as of the Latest Practicable Date, which may change and may have retroactive effect.

The following discussion does not address any aspects of Chinese or Hong Kong taxation other than income tax, capital gains tax, business tax, value-added tax, stamp duty, and estate duty. Prospective investors are urged to consult their financial advisors regarding the Chinese, Hong Kong, and other tax consequences involved in owning and selling H Shares.

CHINA TAXATION

Taxes on Dividends

Individual Investors

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), most recently revised on 31 August 2018, and the Regulation on the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), most recently revised on 18 December 2018, (collectively the "Individual Income Tax Law"), dividends distributed by Chinese companies to individual investors shall be subject to a uniform 20% personal income tax. For foreign individuals who are not residents of China, dividends received from Chinese enterprises are generally subject to tax at a rate of 20%, unless specifically exempted by the tax authorities of the State Council or reduced under an applicable tax treaty.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈<非居民納稅人享受協定待遇管理辦法>的公告》), which became effective on 1 January 2020, non-resident taxpayers enjoying treaty benefits shall follow the procedures of "self-assessment, claiming benefits, and retaining the relevant materials for future inspection." If non-resident taxpayers determine that they meet the conditions for enjoying treaty benefits, they may claim such benefits when filing their tax returns, or through the withholding agents when making withholding declarations, and simultaneously collect and retain relevant data for future inspection in accordance with the provisions of these Measures, and accept subsequent management by the tax authorities. In cases of withholding at source and designated withholding, if non-resident taxpayers determine that they meet the conditions for enjoying

treaty benefits and wish to claim such benefits, they shall truthfully complete the Information Reporting Form for Non-resident Taxpayers Claiming Treaty Benefits, proactively submit it to the withholding agent, and collect and retain relevant materials in accordance with relevant regulations.

According to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), signed on 21 August 2006, the Chinese government may tax dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), but the tax amount shall not exceed 10% of the gross dividends payable. However, if a Hong Kong resident directly holds 25% or more of the equity in a Chinese company and meets certain conditions as the beneficial owner of the shares, the tax levied shall not exceed 5% of the gross dividends payable by the Chinese company.

The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), effective from 6 December 2019, sets out specific standards for determining eligibility for treaty benefits. Under this Protocol, treaty benefits shall not be granted if, after a careful consideration of all relevant facts and conditions, it is reasonable to conclude that obtaining such benefits was one of the principal purposes of an arrangement or transaction, and as a result of the arrangement, direct or indirect benefits under the Arrangement are provided. Unless such benefits are in accordance with the relevant objectives and purposes of the Arrangement.

Furthermore, the application of dividend clauses in tax treaties shall comply with China's tax laws and regulations, including the guidelines stipulated in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Corporate Investors

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) promulgated by the National People's Congress on 16 March 2007, and most recently amended on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on 6 December 2007, effective from 1 January 2008, and amended on 6 December 2024, the enterprise income tax rate is 25%. Where a non-resident enterprise has not established an institution or place of business within the territory of China, or where it has established such an institution or place of business but the income derived has no actual connection with that institution or place of business, it is generally required to pay enterprise income tax at a rate of 10% on income sourced within the territory of China (including dividends derived from shares issued by

Chinese resident enterprises). The aforementioned income tax payable by non-resident enterprises shall be subject to withholding at source, where the payer of the income shall withhold income tax from the payments made to non-resident enterprises.

In accordance with the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), promulgated by the State Taxation Administration on 6 November 2008, when Chinese resident enterprises distribute dividends for the year 2008 and subsequent years to H-share holders which are overseas non-resident enterprises, enterprise income tax shall be withheld and paid at a unified tax rate of 10%. The Reply on the Collection of Enterprise Income Tax on Dividends from B-shares and Other Stocks Obtained by Non-resident Enterprises (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the State Taxation Administration on 24 July 2009 and effective from the same day, further provides that for any Chinese resident enterprise listed on stock exchanges inside or outside China, when distributing dividends for the year 2008 and subsequent years to shareholders which are non-resident enterprises, enterprise income tax shall be withheld and paid at a unified tax rate of 10%. Such tax rate may be further adjusted according to tax treaties or agreements (if applicable) concluded between Chinese government and the relevant country or region.

According to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) ("the Arrangement"), signed on 21 August 2006, the Chinese government may tax dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), but the tax shall not exceed 10% of the gross dividends payable by the Chinese company, unless a Hong Kong resident directly holds 25% or more of the equity in the Chinese company, in which case the tax shall not exceed 5% of the gross dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, which came into effect on 6 December 2019, introduced additional provisions setting out the standards for eligibility to enjoy treaty benefits. Notwithstanding any other provisions under the Arrangement, no treaty benefits under the standard provisions shall be granted if, after considering all relevant facts and conditions, it is reasonably to conclude that obtaining such benefits was one of the principal purposes of an arrangement or transaction (which would result directly or indirectly in benefits under this Arrangement), unless the granting of such benefits in such circumstances would be in accordance with the relevant purposes and objectives of this Arrangement. The implementation of the dividend provisions of tax treaties shall comply with the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements, and other PRC tax laws and regulations.

Tax Treaties

Non-resident investors residing in jurisdictions that have entered into a double taxation avoidance agreement or adjustment with China may be entitled to a reduction in Chinese enterprise income tax on dividends received from Chinese companies. China has currently entered into double taxation avoidance agreements or arrangements with various countries and regions, including the Hong Kong Special Administrative Region, the Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-Chinese resident enterprises entitled to preferential tax rates under the relevant income tax treaties or arrangements must apply to the Chinese tax authorities for a refund of any enterprise income tax paid in excess of the applicable treaty rate, and such refund applications are subject to approval by the Chinese tax authorities.

Taxes on Income from Share Transfers

Value-Added Tax and Local Surcharges

According to the guidelines in the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (《關於全面推開營業税改徵增值税試點的通知》) ("Notice No. 36"), which came into effect on 1 May 2016, and was subsequently amended on 11 July 2017, 25 December 2017, and 20 March 2019, individuals and entities conducting service transactions within the territory of China are subject to value-added tax (VAT). A "sale of services within the territory of China" is defined as a transaction conducted by a service provider or recipient within the territory of China.

Furthermore, Notice No. 36 stipulates that the transfer of financial products (including the transfer of ownership of marketable securities) is subject to VAT at a rate of 6% on the taxable income. In this case, taxable income refers to the balance of the selling price after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

In accordance with the above provisions, non-resident individuals who sell or dispose of H-shares are exempt from VAT in China. However, if the holder is a non-resident enterprise, VAT exemption in China is only granted when the buyer of H-shares is an individual or entity located outside China. Conversely, if the buyer of H-shares is an individual or entity located within the territory of China, the holder may be required to pay VAT in China.

Income Tax

Individual Investors

According to the Individual Income Tax Law, income derived from the transfer of equity in a Chinese resident enterprise is subject to individual income tax at a rate of 20%. According to the Notice on Temporarily Continuing to Exempt Individual Income Tax on Gains from Stock Transfers (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》), promulgated by the Ministry of Finance and the State Taxation Administration on 30 March 1998, individual income tax on gains from the transfer of listed company shares has been exempted since 1 January 1997.

On 31 December 2009, the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission jointly issued the Notice on Issues Concerning the Levy of Individual Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on the same day. The Notice stipulates that gains derived from the transfer of shares listed on the Shanghai Stock Exchange and the Shenzhen Stock, as well as from the transfer market, other than restricted shares (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission on 10 November 2010). As of the most recently practicable date, none of the foregoing provisions explicitly provide for the imposition of individual income tax on income derived by non-Chinese resident individuals from the transfer of shares of Chinese resident enterprises listed on overseas securities exchanges.

Corporate Investors

Under the Enterprise Income Tax Law and its Regulation on the Implementation, if a non-resident enterprise has no permanent establishment in China, or has a permanent establishment but its income sourced from China is not effectively connected with that establishment, its income from China (including income from disposing of equity in a Chinese resident enterprise) is generally subject to enterprise income tax at a rate of 10%. Income tax payable by non-resident enterprises is subject to withholding at source, meaning that the income payer must withhold income tax from payments made to the non-resident enterprise. Such tax may be reduced or exempted according to relevant tax treaties or arrangements for the avoidance of double taxation.

Stamp Duty

According to the Stamp Tax Law of the People's Republic of China (《中華人民共和國印花稅法》), promulgated on 10 June 2021, and effective from 1 July 2022, entities and individuals who execute taxable documents or engage in securities transactions within the territory of China are taxpayers of stamp duty and shall pay stamp duty in accordance with the Stamp Tax Law of the People's Republic of China. Therefore, the provisions on stamp duty levied on the transfer of shares in Chinese listed companies do not apply to non-Chinese investors transferring and disposing of H-shares outside China.

Estate Duty

Under Chinese law, there is currently no estate duty levied in China.

Taxes Payable by the Company in China

Please refer to the "**Regulatory Overview**" section in this Document.

Foreign Exchange

RMB is the legal tender of China and is currently subject to foreign exchange controls, preventing its free convertibility into foreign currencies. Authorized by the People's Bank of China ("PBOC"), the State Administration of Foreign Exchange (SAFE) is empowered to manage all foreign exchange-related matters, including enforcing foreign exchange control regulations.

Pursuant to the Regulations on the Foreign Exchange System of the People's Republic of China (《中華人民共和國外匯管理條例》) ("Regulations on the Foreign Exchange System"), promulgated by the State Council on 29 January 1996 and effective from 1 April 1996, all international payments and transfers are classified into current account items and capital account items. Most current account items do not require approval from foreign exchange authorities, but capital account items still do. According to the Regulations on Foreign Exchange System, revised on 14 January 1997 and 5 August 2008, China does not impose any restrictions on international payments and transfers under current account items.

The Provisions on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》) ("Provisions on the Settlement") promulgated by the People's Bank of China on 20 June 1996, and effective from 1 July 1996, abolished the remaining restrictions on the convertibility of foreign exchange under current account items but imposed the existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Reforming the RMB Exchange Rate Regime (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), issued by the PBOC on 21 July 2005 and effective on the same date, China has implemented a managed floating exchange rate system based on market supply and demand, adjusted with reference to a basket of currencies since 21 July 2005. Consequently, the RMB exchange rate is no longer pegged to the US dollar. The PBOC will announce the closing price of the RMB against the US dollar and other trading currencies in the interbank foreign exchange market after the close of business each working day, which will serve as the central parity rate for the trading of that currency against the RMB on the next working day.

On 5 August 2008, the State Council promulgated the revised Regulations on the Foreign Exchange System, making significant changes to China's foreign exchange regulatory system. Firstly, it provides for balanced management of foreign exchange inflows and outflows. Foreign exchange earnings from abroad can be repatriated or kept offshore, and foreign exchange and settled funds under capital account items must be used in accordance with the purposes approved by the relevant competent authorities and foreign exchange administration. Secondly, it refines the RMB exchange rate formation mechanism based on market supply and demand. Thirdly, in cases where a serious imbalance in international payments occurs or is likely to occur, or when a severe crisis in the national economy occurs or is likely to occur, the state may take necessary safeguarding and control measures regarding international payments. Fourthly, it strengthens the supervision and administration of foreign exchange transactions and grants the SAFE broad powers to enhance its supervisory and administrative capabilities.

In accordance with relevant Chinese laws and regulations, Chinese enterprises (including foreign-invested enterprises) requiring foreign exchange for current account item transactions can make payments from foreign exchange accounts opened with designated foreign exchange banks without approval from foreign exchange authorities, provided they furnish valid transaction receipts or vouchers. Foreign-invested enterprises that need foreign exchange to distribute profits to their shareholders, and Chinese enterprises (such as the Company) that need to pay dividends in foreign exchange to their shareholders in accordance with relevant regulations, may, based on the resolution approving profit distribution by the Board of Directors or the general meeting, make payments from foreign exchange accounts opened with designated foreign exchange banks or convert and pay dividends at designated foreign exchange banks.

On 23 October 2014, the State Council promulgated the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), and decided to abolish the requirement for the SAFE and its branches to approve the repatriation and settlement into RMB domestic accounts of offshore funds raised under offshore listed foreign shares.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), implemented by the SAFE on 26 December 2014, a domestic company shall, within 15 working days from the completion of its overseas listing and issuance, complete overseas listing registration with the local SAFE branch at its place of registration. Funds raised by a domestic company from an overseas listing may be remitted back to China or retained overseas. But their use shall be consistent with the contents set out in the document and other publicly disclosed documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by the SAFE on 3 April 2024, in principle, funds raised by domestic companies through overseas listings should be repatriated to China in a timely manner, either in RMB or in foreign currencies. The use of the funds shall be consistent with the relevant matters set out in this Document or in other publicly disclosed documents, including offering circulars for corporate bonds, shareholders' circulars, and resolutions of the Board of Directors or general meetings. Where domestic companies use funds raised from overseas listings to conduct outbound direct investment, outbound securities investment, overseas lending or other similar activities, they shall comply with the relevant foreign exchange administration regulations.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13), promulgated by the SAFE on 13 February 2015, effective on 1 June 2015, and revised on 30 December 2019, two administrative approval items were abolished: the approval for foreign exchange registration under domestic direct investment and the approval for foreign exchange registration under outbound direct investment. These are now handled directly by banks, which review and process foreign exchange registration for domestic direct investment and outbound direct investment, while the SAFE and its branches exercise indirect supervision over direct investment foreign exchange registration through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for the Administration of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) promulgated by the SAFE on 9 June 2016, relevant policies have explicitly specified that capital account foreign exchange income subject to voluntary settlement (including foreign exchange capital, foreign debt proceeds and funds repatriated from overseas listings, among others), may be settled at banks in accordance with the actual operational needs of domestic institutions. The provisional ratio for voluntary foreign exchange settlement of capital account foreign exchange income by domestic institutions is set at 100%. The SAFE may, in light of the international balance of payments situation, adjust the above ratio from time to time.

On 26 January 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of domestic foreign exchange loan settlement, allowing domestic foreign exchange loans with a background of goods trade export to be settled; allowing funds under domestic entity guarantee for outbound loans to be repatriated for domestic use; allowing the settlement of foreign exchange in domestic foreign exchange accounts of overseas institutions within free trade zones; and implementing holistic management of outbound loans in both domestic and foreign currencies, whereby the aggregate outstanding balance of outbound loans in domestic and foreign currencies by domestic institutions engaged in outbound lending business shall not exceed 30% of their owners' equity as per their audited financial statements of the preceding year.

On 23 October 2019, the SAFE issued the Notice by the State Administration of Foreign Exchange Regarding Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulates that, building upon the ability of investment-oriented foreign-invested enterprises to legally conduct domestic equity investment with capital funds, non-investment foreign-invested enterprises are allowed to legally conduct domestic equity investment with capital funds, provided that it does not violate the current Special Administrative Measures for Foreign Investment Access (Negative List) (《外商投資准入特別管理措施(負面清單)》) and the domestic projects invested are authentic and compliant.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People's Republic of China (《中華人民共和國憲法》) (or the "Constitution") and consists of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, and international treaties and other normative documents signed by the PRC government. Court judgments do not constitute binding precedents. However, they can serve as judicial references and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (Amended in 2023) (《中華人民共和國立法法(2023修正)》) ("Legislation Law"), the National People's Congress (NPC) and its Standing Committee (SCNPC) exercise the state's legislative power in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil, criminal, state organs, and other matters. The NPC may authorize its Standing Committee to formulate relevant laws. The SCNPC formulates and amends laws other than those that shall be formulated by the NPC; during the adjournment of the NPC, it may make supplements and amendments to laws formulated by the NPC, provided that such supplements and amendments do not contravene the basic principles of those laws.

The State Council is the highest organ of state administration in China, and has the power to formulate administrative regulations based on the Constitution and laws, except for matters involving crimes and penalties, deprivation of citizens' political rights, compulsory measures and penalties restricting personal freedom, and the judicial system.

The people's congresses of provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations.

Ministries and commissions under the State Council, the People's Bank of China, the National Audit Office of the People's Republic of China, institutions established by law, and administrative organs directly under the State Council may, within their respective powers, formulate rules and regulations in accordance with laws, and administrative regulations, decisions and orders of the State Council.

The people's congresses of cities above the district level and their standing committees may, in light of their specific conditions and actual needs, formulate local regulations on matters such as urban and rural construction and management, ecological civilization development, and historical and cultural preservation. These regulations shall take effect after being reported to and approved by the standing committees of the people's congresses of the respective provinces or autonomous regions. However, such local regulations must conform to the Constitution, laws, administrative regulations, and local regulations of the relevant

provinces or autonomous regions. People's congresses of national autonomous areas have the power to formulate autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of provinces, autonomous regions, municipalities, cities divided into districts and autonomous prefectures may formulate rules and regulations in accordance with laws, administrative regulations, and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has the highest legal authority, and no laws, administrative regulations, local regulations, autonomous regulations, or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules and regulations of local governments at the same or lower levels. The authority of the rules formulated by the people's governments of the provinces and autonomous regions is greater than that of the rules formulated by the people's governments of the cities divided into districts and autonomous prefectures within their respective administrative regions of the provinces and autonomous regions.

The NPC has the power to amend or repeal inappropriate laws formulated by its standing committee, and to repeal autonomous regulations or separate regulations that have been approved by its standing committee but contravene the Constitution or the Legislation Law. The SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws, or administrative regulations, and to annul autonomous regulations or local regulations that have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions, or municipalities but contravene the Constitution and the Legislation Law. The State Council has the power to amend or annul any improper ministerial rules and regulations as well as rules and regulations of local governments. The people's congresses of provinces, autonomous regions and municipalities have the power to amend or annul any improper local regulations formulated or approved by their standing committees. The people's governments of provinces and autonomous regions have the power to amend or annul improper rules and regulations formulated by lower-level people's governments.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) adopted on 10 June 1981, the Supreme People's Court of the People's Republic of China ("the Supreme People's Court") shall give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its various ministries and commissions also have the power to interpret the administrative regulations and departmental

rules and regulations they have promulgated. At the regional level, the power to interpret local regulations and administrative rules and regulations belongs to the local legislative and administrative bodies that promulgated the relevant regulations and rules.

PRC JUDICIAL SYSTEM

According to the Constitution and the Law of the People's Republic of China on the Organization of the People's Courts (《中華人民共和國人民法院組織法》) most recently amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the People's Court of China is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court is the highest judicial organ. The Supreme People's Procuratorate supervise the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels supervise the work of those at lower levels.

According to the Constitution and the Law of the People's Republic of China on the Organization of the People's Procuratorates (《中華人民共和國人民檢察院組織法》) most recently amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by laws. If, within the stipulated period, a party does not appeal and the people's procuratorate does not protest, the judgment or ruling of the people's court shall be considered a final judgment or ruling. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or a higher-level people's court finds that a final and legally effective judgment or ruling of a lower-level people's court contains obvious errors, or if the chief judge of any people's court finds that a final and legally effective judgment or ruling of their court contains obvious errors, the case may be reheard in accordance with judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》), most recently amended by the SCNPC on 1 September 2023 and becoming effective on 1 January 2024, sets forth the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures

for enforcement of a civil judgment or ruling. Parties engaging in civil litigation within the territory of China must abide by the relevant provisions of the Civil Procedure Law of the People's Republic of China. Civil cases are generally heard by the courts where the defendants are domiciled. Parties to a contract may also expressly agree to select a court with jurisdiction for civil litigation, provided that such court is located at the domicile of the plaintiff or defendant, the place of performance or signing of the contract, or the location of the subject matter of the lawsuit, or any other place that has a direct connection with the dispute. However, the choice of the court shall in no circumstances violate the provisions on hierarchical jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or responding to proceedings at a people's court. Where a foreign court restricts the right to litigate of Chinese citizens, legal persons, or other enterprises, Chinese courts may impose reciprocal restrictions on the citizens, legal persons, or other enterprises of that country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a lawyer from mainland China if such party needs to engage a lawyer in initiating or responding to proceedings at a people's court. Under an international treaty to which mainland China is a party or on the basis of the principle of reciprocity, the people's courts and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions. If the matter for which assistance is requested by a foreign court would prejudice the sovereignty, security, or public interests of China, the people's court shall not execute it.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

Where a legally effective judgment or ruling rendered by a people's court is to be enforced and the person against whom enforcement is sought or the property to be enforced is not located within the territory of China, the party concerned may directly apply to a competent foreign court for recognition and enforcement. If an application is made or a request is submitted to a people's court for recognition and enforcement of a legally effective judgment or ruling made by a foreign court, the people's court shall review such judgment or ruling in accordance with international treaties concluded or acceded to by China, or based on the principle of reciprocity. After review, if the people's court believes that the judgment or ruling does not violate the basic principles of Chinese law or national sovereignty, security, or social public interests, it shall rule to recognize its validity.

CHINA'S COMPANY LAW, TRIAL MEASURES, AND GUIDELINES FOR ARTICLES OF ASSOCIATION

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law") was adopted on 29 December 1993, at the Fifth Session of the Standing Committee of the Eighth National People's Congress and came into force on 1 July 1994. It was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018, and 29 December 2023, respectively. The most recently amended Company Law became effective on 1 July 2024.

China Securities Regulatory Commission (the "CSRC") promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (or the "Trial Measures") and its five interpretative guidelines on 17 February 2023 and implemented it on 31 March 2023, which apply to the direct and indirect subscription and listing of shares by domestic companies outside China.

According to the Trial Measures and its interpretative guidelines, where a domestic company directly offers and lists securities overseas, it shall formulate its articles of association in accordance with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (or the "Guidelines for Articles of Association"), in place of the Notice on Implementing the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《關於執行<到境外上市公司章程必備條款>的通知》), which ceased to apply as of 31 March 2023. The Guidelines for Articles of Association were promulgated by the CSRC on 16 December 1997, and most recently revised on 28 March 2025.

The principal provisions of the Company Law, the Trial Measures, and the Guidelines for Articles of Association applicable to the Company are summarized as follows.

GENERAL PROVISIONS

A joint stock limited company refers to a corporate legal person incorporated in accordance with the Company Law, whose registered capital is divided into shares of equal par value. The liability of shareholders is limited to the number of shares they hold, and the company shall be liable for its debts with all of its assets.

In conducting its business, a joint stock limited company shall comply with laws and regulations, observe public and commercial ethics, act in good faith, and accept supervision by the government and the public. A company may invest in other enterprises. Where the law provides that a company shall not bear joint and several liability for the debts of an invested enterprise as a contributor, such provision shall prevail.

INCORPORATION

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company shall have more than one and no more than 200 promoters, among whom more than half shall have domicile within China.

Promoters shall, within 30 days from the date on which the share capital has been fully paid up, convene and preside over the inaugural meeting of the company, and shall, at least 15 days before the inaugural meeting, notify all subscribers of the meeting date or make an announcement. The inaugural meeting may only be held if attended by promoters and subscribers representing more than half of the total shares. Powers to be exercised at the inaugural meeting include but are not limited to the adoption of the Articles of Association and the election of members of the Board of Directors and the Supervisory Committee of the company. Resolutions on the matters listed in the preceding paragraph made at the meeting must be approved by more than half of the voting rights held by the subscribers present.

Within 30 days after the conclusion of the inaugural meeting, the Board of Directors shall apply to the registration authority for the registration of the establishment of the joint stock company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

REGISTERED SHARES

Under the Company Law, shareholders may make capital contributions in cash, or in non-monetary assets that can be valued in monetary terms and legally transferred, such as contributions in kind, intellectual property rights, land use rights, shareholding, or claims.

The Trial Measures provides that domestic enterprises issuing and listing shares abroad may raise funds and distribute dividends in foreign currencies or in Renminbi.

According to the Trial Measures, where a domestic enterprise directly offers and lists its shares overseas, shareholders holding its unlisted domestic shares who apply to convert these unlisted domestic shares into overseas listed shares for listing and circulation on overseas trading venues shall comply with the relevant provisions of the CSRC and shall entrust the domestic enterprise to file with the CSRC. The term "unlisted domestic shares" as referred to in the preceding paragraph refers to shares issued by a domestic enterprise but not yet listed or traded on a domestic trading venue. The unlisted shares shall be centrally deposited with domestic securities registration and settlement institutions. Registration and settlement arrangements for overseas listed shares, among other matters, shall be governed by the regulations of the overseas listing place.

According to the Company Law, a joint stock limited company shall maintain a register of members, recording the following matters: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed by each shareholder; (iii) the serial numbers of shares (if issued in paper form); and (iv) the date on which each shareholder acquires the shares.

ALLOTMENT AND ISSUANCE OF SHARES

All shares issued by a joint stock limited company must be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and of the same class must be issued under the same conditions and at the same price. It may issue shares at par value or at a premium, but shall not issue shares below the par value.

Domestic enterprises issuing and listing shares overseas shall file with the CSRC in accordance with the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and listing shares overseas, the issuer shall file with the CSRC. If a domestic enterprise indirectly issues and lists shares overseas, the issuer shall designate a major domestic operating entity as the domestic responsible party and file with the CSRC.

INCREASE IN SHARE CAPITAL

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no-par value shares are issued, the proceeds from the issuance of the new shares shall be included in the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the documents.

REDUCTION OF SHARE CAPITAL

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) prepare a balance sheet and a property list; (ii) pass a resolution to reduce the registered capital at a general meeting; (iii) notify creditors within 10 days after the resolution to reduce registered capital has been approved, and publish a notice in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days; (iv) creditors shall have the right to demand repayment of debts or provision of corresponding guarantees within 30 days of receiving such notice, or, if creditors have not received the notice, within 45 days after the publication of the notice; and (v) upon reducing registered capital, the company shall, in accordance with the law, apply to the company registration authority for registration of the change.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the Articles of Association of a joint stock limited company.

REPURCHASE OF SHARES

Under the Company Law, a company shall not purchase its own shares, except in the following circumstances: (i) reducing the registered capital; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee share scheme or equity incentives; (iv) shareholders who vote against a resolution on a merger or division passed by the general meeting may require the company to acquire the shares they hold; (v) using the shares for the conversion of convertible corporate bonds issued by the listed company; and (vi) as required for maintenance of the corporate value and shareholders' rights and interests of the listed company.

The purchase of the company's shares for reasons specified in items (i) to (ii) above shall be approved by a resolution of the general meeting; the purchase of the company's shares for reasons specified in items (iii), (v) and (vi) above shall be approved either by a resolution of the Board of Directors at a meeting attended by more than two-thirds of the directors or by authorization of the general meeting in accordance with the Articles of Association.

Where a company repurchases its shares in accordance with the foregoing provisions, if they fall under the circumstances specified in item (i), such shares shall be canceled within 10 days from the date of repurchase; if they fall under the circumstances specified in items (ii) and (iv), such shares shall be transferred or canceled within six months; and if they fall under the circumstances specified in items (iii), (v) and (vi), the total number of shares held by the company shall not exceed 10% of the company's total issued shares, and such shares shall be transferred or canceled within three years.

TRANSFER OF SHARES

Shares held by a shareholder may be transferred according to the law. Pursuant to the Company Law, shareholders transferring their shares shall do so on a securities trading venue established in accordance with the law or by other means prescribed by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of members. No changes to the registration in the register of members as provided in the foregoing provision shall be made within 20 days prior to the convening of a general meeting or within five days prior to the record date for the company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of members of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by the company prior to its public offering shall not be transferred within one year from the date on which the shares are listed and traded on a stock exchange. The directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange. After such persons leave their positions, they shall not transfer any shares of the company held by them within six months from the date of such departure.

If the shares are pledged during the restricted transfer period as provided by laws and administrative regulations, the pledgee shall not exercise the right of pledge during such period.

SHAREHOLDERS

Under the Company Law and the Guidelines for Articles of Association, the rights of a shareholder of ordinary shares of a joint stock limited company include:

(i) to legally request, convene, chair, attend, or dispatch shareholder's proxy to attend the general meeting and exercise corresponding voting rights;

(ii) to transfer, bestow, or pledge the shares they hold according to laws, administrative regulations, and the Articles of Association;

(iii) to supervise and make recommendations or inquiries on the operation of the company;

(iv) to inspect the articles of association, the register of members, the stubs of corporate bonds, minutes of general meetings, resolutions of the Board of Directors' meetings, resolutions of the Supervisory Committee' meetings, as well as financial and accounting reports;

(v) to request the company to acquire their shares if they object to a resolution of a general meeting on merger or division of the company;

(vi) to receive dividends and other types of distribution of benefits in proportion to their respective shareholdings;

(vii) to participate in the distribution of the company's remaining assets in the class of shares and the proportion to their respective shareholdings upon the termination or liquidation of the company; and

(viii) other rights stipulated by laws, administrative regulations, departmental rules, or the Articles of Association.

The obligations of a shareholder of ordinary shares of a company include:

(i) to comply with the Articles of Association;

(ii) to pay capital contributions according to the number of shares subscribed and the method of contribution;

(iii) not to abuse shareholders' rights to harm the interests of the company or other shareholders; and not to abuse the independent status of the company as a legal person and the limited liability of shareholders to harm the interests of the company's creditors; and

(iv) other obligations conferred by laws, administrative regulations and the Articles of Association.

GENERAL MEETINGS

Under the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors, and to decide on matters relating to their remuneration;

(ii) to review and approve the reports of the Board of Directors;

(iii) to review and approve the reports of the Supervisory Committee;

(iv) to review and approve the profit distribution plans and loss recovery plans of the company;

(v) to pass resolutions on the increase or reduction of the company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to make resolutions on the merger, division, dissolution, liquidation or change of the corporate form of the company;

(viii) to amend the company's Articles of Association;

(ix) to make resolutions on the appointment or dismissal of accounting firms;

(x) to review and approve the guarantee matters set out in Article 47 of the Articles of Association;

(xi) to review any purchase or disposal of material assets by the company within one year with an aggregate value exceeding 30% of the company's latest audited total assets;

(xii) to review and approve any change in the use of proceeds;

(xiii) to consider equity incentive schemes and employee share schemes; and

(xiv) other functions and powers specified in the Articles of Association.

The annual general meeting shall be held once a year in accordance with the Company Law. According to the Company Law, an extraordinary general meeting (EGM) shall be convened within two months if any of the following circumstances occur:

(i) when the number of directors falls below the quorum prescribed by law or two-thirds of the number required by the Articles of Association;

(ii) when the uncovered loss of the company reaches one-third of the total share capital of the company;

(iii) upon requests by shareholders individually or collectively holding more than 10% of the total number of the company's shares;

(iv) when deemed necessary by the Board of Directors;

(v) when the Supervisory Committee proposes for such a meeting; or

(vi) other circumstances stipulated in the Articles of Association of the company.

General meetings shall be convened by the Board of Directors, and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the Board of Directors is incapable of performing or is not performing its duties to convene the general meeting, the Supervisory Committee shall convene and preside over the meeting in a timely manner. If the Supervisory Committee does not convene and preside over the meeting, shareholders individually or collectively holding more than 10% of the company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

If the shareholders who individually or collectively hold more than 10% of the company's shares request to convene an EGM, the Board of Directors and the Supervisory Committee shall, within 10 days after the receipt of such request, decide whether to hold an EGM and reply to the shareholders in writing.

Notice of a general meeting shall be given to all shareholders 20 days prior to the meeting, specifying the time, place and matters to be considered; notice of an EGM shall be given to all shareholders 15 days prior to the meeting. If bearer shares are issued, an announcement shall be made 30 days prior to the meeting to disclose the time, place, and matters for review on the meeting.

Shareholders who individually or collectively hold more than 1% of the Company's shares may propose an extraordinary proposal to the convener in writing 10 days before the holding of such general meeting. The convener shall, within two days after receipt of the proposal, issue a supplementary notice of the general meeting to announce the contents of the interim proposal.

Under the Company Law, where a shareholder appoints a proxy to attend a general meeting, the matters, powers and term of the proxy's authority shall be clearly specified. The proxy shall submit a shareholder's power of attorney to the company and exercise the voting rights within the scope of the authority granted. The Company Law does not contain specific provisions on the number of shareholders required to constitute a quorum for a general meeting.

Under the Company Law, shareholders present at a general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

When the general meeting elects directors and supervisors, a cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidelines for Articles of Association, a resolution passed at the general meeting must be approved by a majority of the voting rights held by the shareholders present at the meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the Articles of Association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

BOARD OF DIRECTORS

Under the Company Law, a joint stock limited company shall have a Board of Directors, which consists of more than three members. The term of office of a director shall be stipulated in the Articles of Association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

The Board of Directors shall convene meetings at least twice a year. All directors and supervisors shall be notified 10 days before each meeting. The Board of Directors shall exercise the following functions and powers:

(i) to convene general meetings and report to general meetings;

(ii) to implement the resolutions of general meetings;

(iii) to decide business operation plans and investment plans of the company;

(iv) to formulate the company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(vi) to formulate plans for merger, division, dissolution or change of the corporate form of the company;

(vii) to decide on the establishment of the company's internal management bodies;

(viii) to decide on the appointment or dismissal of the company's managers and their remuneration;

(ix) to decide on the appointment or dismissal of the deputy managers and financial officers of the company based on the nomination of the manager and as well as their remuneration;

(x) to formulate the basic management system of the company; and

(xi) other functions and powers specified in the Articles of Association or granted by the general meeting.

A meeting of the Board of Directors shall not be held unless more than half of the directors are present. Directors unable to attend for a certain reason may appoint another director to attend the meeting in writing, and the power of attorney shall clearly state the scope of authorization. If a resolution of the Board of Directors violates laws, administrative regulations, the Articles of Association, and causes the company to suffer significant losses, the

directors who participated in the resolution shall be liable to the company for compensation. However, if it is proven that a director expressed objections during the meeting and such objections were recorded in the meeting minutes, he or she may be exempted from liability.

Under the Company Law, a person may not serve as a director of a company if he/she is:

(i) having no capacity or limited capacity for civil conduct;

(ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(iii) a director, factory director or manager of a company or enterprise liquidated upon bankruptcy, who was personally responsible for the bankruptcy of the company or enterprise, and not more than three years have elapsed since the date of completion of the bankruptcy liquidation;

(iv) a person who was a legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and

(v) a person who is listed as a defaulter by a people's court since he/she owes a large amount of debts due and unsettled.

The Board of Directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman of the Board shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and convene and preside over meetings of the Board of Directors; (ii) to supervise, promote, and inspect the implementation of resolutions of the Board of Directors; and (iii) to exercise other powers conferred by the Board of Directors.

SUPERVISORY COMMITTEE

A joint stock limited company may, in accordance with the provisions of its Articles of Association, establish an Audit Committee composed of directors within the Board of Directors to exercise the powers of the Supervisory Committee as prescribed by the Law, without establishing a Supervisory Committee or appointing supervisors.

A joint stock limited company with a relatively small scale or a small number of shareholders may not establish a Supervisory Committee, but instead have one supervisor who shall exercise the functions and powers of the Supervisory Committee as stipulated by the Law.

Except for the two special circumstances mentioned above, the Supervisory Committee of a joint stock limited company shall consist of three or more members. The Supervisory Committee shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third of the number of supervisors and the specific proportion shall be stipulated in the Articles of Association. Employee representatives of the Supervisory Committee shall be democratically elected by the company's employees at the employee representatives' general meeting, employees' general meeting or otherwise. Directors or senior management of the company may not act concurrently as supervisors.

The Supervisory Committee shall have one chairman and may have vice chairmen. The chairman and deputy chairmen of the Supervisory Committee shall be elected by a majority of all supervisors. The chairman of the Supervisory Committee shall convene and preside over meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform his/her duties or fails to perform them, the vice chairman of the Supervisory Committee shall convene and preside over meetings of the Supervisory Committee. If the vice chairman of the Supervisory Committee is unable to perform his/her duties or fails to perform them, more than half of the supervisors shall jointly elect one supervisor to convene and preside over meetings of the Supervisory Committee.

The term of office of a supervisor shall be three years, and a supervisor may be re-elected upon the expiration of their term. If the term of office of a supervisor expires but the supervisor is not re-elected in time, or the resignation of the supervisor during the term of office causes the number of members of the Supervisory Committee to be less than the quorum, the former supervisor shall still perform the duties as a supervisor in accordance with the provisions of laws, administrative regulations and the Articles of Association before the newly elected supervisor takes office.

The Supervisory Committee shall hold at least one meeting every six months. According to the Company Law, resolutions of the Supervisory Committee shall be approved by more than half of all supervisors.

The Supervisory Committee shall exercise the following functions and powers:

(i) to inspect the company's financial affairs;

(ii) to supervise the performance of duties by directors and senior management personnel, and to propose the dismissal of directors and senior management personnel who violate laws, administrative regulations, the Articles of Association, or resolutions of general meetings;

(iii) when the acts of directors or senior management personnel harm the interests of the company, to demand that such directors or senior management personnel rectify their actions;

(iv) to propose the convening of an extraordinary general meeting of shareholders, and to convene and preside over such meetings if the Board of Directors fails to perform its duties of convening and presiding over general meetings as stipulated by the Company Law;

(v) to submit proposals to the general meetings;

(vi) to initiate legal proceedings against directors and senior management personnel in accordance with the Company Law;

(vii) to review the company's periodic reports prepared by the Board of Directors and, after review, provide written opinions thereon;

(viii) if abnormal operating conditions of the company are discovered, to conduct investigations as appropriate; and when necessary, to engage accounting firms, law firms, or any other professional institutions as appropriate to assist in its work, with the expenses borne by the company; and

(ix) other functions and powers specified in the Articles of Association.

Pursuant to the Articles of Association Guidelines, the board of directors of the company shall establish an audit committee to exercise the supervisory powers prescribed by the Company Law.

MANAGER AND SENIOR MANAGEMENT

Under the Company Law, a company shall have a manager who is appointed or removed by the Board of Directors. The manager is accountable to the Board of Directors and exercises his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the Board of Directors' meetings.

Under the Company Law, senior management refers to a company's manager, deputy manager, chief financial officer, the secretary of the Board of Directors, and any other personnel specified in the company's Articles of Association.

DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the Articles of Association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

Directors, supervisors and senior management are prohibited from:

(i) embezzling the company's property and misappropriating the company's capital;

(ii) depositing company funds into an account opened in the individual's own name or in the name of another individual;

(iii) bribing or accepting other illegal income by abusing their powers;

(iv) accepting and possessing commissions paid by a third party for transactions conducted with the company;

(v) disclosing the company's confidential business information without authorization; and

(vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management of the company directly or indirectly concludes a contract or conducts a transaction with the company, he/she shall report the matters relating to the conclusion of the contract or transaction to the Board of Directors or general meeting, subject to the approval of the Board of Directors or shareholders according to the Articles of Association.

The provisions of the preceding paragraph shall apply if any close relatives of the company's directors, supervisors or senior management, or any enterprises directly or indirectly controlled by the company's directors, supervisors or senior management or any of their close relatives, or any related parties having any other related-party relationship with the company's directors, supervisors or senior management, conclude a contract or conduct a transaction with the company.

Neither director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person, except under any of the following circumstances:

(i) a director, supervisor, or senior management member has reported the business opportunity to the Board of Directors or the general meeting and obtained approval in accordance with the Articles of Association through a resolution of the Board or the general meeting; or

(ii) the company is unable to exploit the business opportunity in accordance with laws, administrative regulations, or the Articles of Association.

If any director, supervisor, or senior management personnel fails to report to the Board of Directors or the general meeting and obtain approval in accordance with the Articles of Association through a resolution of the Board or the general meeting, they may not engage, on their own or for others, in a business of the same type as that of the company in which they hold office.

Directors, supervisors, or senior management personnel of the company who, in the performance of their duties, violate any laws, regulations, or the Articles of Association and cause any loss to the company shall be personally liable to the company.

The Guidelines for Articles of Association stipulate that directors and senior management personnel of the company shall have a duty of diligence towards the company. For example, directors shall exercise the powers granted by the company prudently, conscientiously and diligently to ensure that the company's business conduct complies with the requirements of national laws, administrative regulations, and various economic policies, and that business activities do not exceed the business scope stipulated in the company's business license; directors shall treat all shareholders fairly; shareholders shall promptly understand the company's business operations and management status; directors and senior management personnel shall sign written confirmation opinions on the company's periodic reports and ensure that the information disclosed by the company is true, accurate, and complete; directors and senior management personnel shall truthfully provide relevant information and materials to the Supervisory Committee and shall not obstruct the Supervisory Committee or individual supervisors from exercising their functions and powers; directors and senior management personnel shall also bear other duties of diligence stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

FINANCE AND ACCOUNTING

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare financial and accounting reports which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When a company distributes its after-tax profits for the current year, it shall allocate 10% of such profits to the company's statutory reserve fund. If the cumulative amount of the statutory reserve fund reaches 50% or more of the company's registered capital, no further allocation is required. If the statutory reserve fund is not sufficient to make up the losses in the previous years, the profits of the current year shall be used to make up the losses before allocations are set aside for the statutory reserve fund according to the provisions of the preceding paragraph. After the company allocates funds to the statutory reserve fund from the after-tax profits, it may also allocate funds to a discretionary reserve fund from the after-tax profits upon a resolution of the general meeting.

The remaining after-tax profits after the company has made up losses and set aside funds for the reserve funds shall be distributed by a joint stock limited company in proportion to the shares held by the shareholders, unless otherwise provided in the Articles of Association.

The premiums received by the company from the issuance of shares at a price above their nominal value, the proceeds from the issuance of no-par-value shares that have not been credited to registered capital, and other items required by the financial department of the State Council to be included in capital reserve shall be included in the company's capital reserve.

A company's reserve funds shall be used to make up for its losses, expand its production and operations, or be converted into additional registered capital of the company. When the reserve funds are used to make up for the company's losses, the discretionary reserve funds and the statutory reserve fund shall be used first; if the losses still cannot be fully made up, the capital reserve fund may be used in accordance with relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounting books other than those provided by law.

APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

According to the Company Law, the appointment or dismissal of accounting firms undertaking the company's audit business shall be decided by the general meeting, the Board of Directors, or the Supervisory Committee in accordance with the provisions of the company's Articles of Association. The accounting firm shall be allowed to make representations when the general meeting, the Board of Directors or the Supervisory Committee conducts a vote on the dismissal of the accounting firm. The company shall provide the engaged accounting firm with authentic and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse, conceal, or falsify any of them.

The Guidelines for Articles of Association provides that the company shall ensure that it provides true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the employed accounting firm, and shall not refuse to provide, conceal or make false statements in respect thereof. The audit fee of the accounting firm shall be decided by the general meeting.

PROFIT DISTRIBUTION

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management who are responsible for causing losses to the company shall bear compensation liability.

DISSOLUTION AND LIQUIDATION

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;

(ii) the general meeting passes a resolution to dissolve the company;

(iii) dissolution is necessary due to a merger or division of the company;

(iv) the business license is revoked, or the company is ordered to be closed or revoked in accordance with laws;

(v) where the company encounters serious difficulties in operation and management such that its continued existence would cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the Company may petition a people's court to dissolve the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within 10 days.

If the company is in circumstances (i) and (ii) above and has not yet distributed assets to the shareholders, it may continue to exist by amending its Articles of Association or by a resolution of the general meeting. Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by a resolution of the general meeting shall be approved by shareholders representing more than two-thirds of the voting rights present at the general meeting.

Where the company is dissolved pursuant to items (i), (ii), (iv) or (v) above, it shall be liquidated. The company's directors are the liquidation obligors and shall form a liquidation committee to conduct liquidation within 15 days from the date the dissolution cause occurs. The liquidation committee shall consist of directors, unless otherwise provided in the Articles of Association or the general meeting resolves to select other persons. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, resulting in losses to the Company or its creditors, they shall be liable for compensation.

If it fails to establish a liquidation committee to carry out liquidation after the expiry of the time limit or fails to carry out liquidation after establishing the liquidation committee, the interested parties can apply to the people's court for appointing relevant officers to establish the liquidation committee to carry out the liquidation. The people's court shall accept such request and organize a liquidation committee to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(i) to liquidate the company's assets and prepare a balance sheet and an inventory of assets;

(ii) to notify creditors by notice or public announcement;

(iii) to deal with the outstanding business of the company involved in the liquidation;

(iv) to pay all outstanding taxes and taxes arising in the course of liquidation;

(v) to clear claims and debts;

(vi) to distribute the remaining property of the company after paying off debts;

(vii) to participate in civil litigations on behalf of the company.

The liquidation committee shall notify the company's creditors within 10 days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice, declare their claims to the liquidation committee.

After the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensations, outstanding taxes and the company's debts from the company's property, for a limited liability company, the remaining assets shall be distributed in proportion to the shareholders' capital contributions, and for a joint stock company, the remaining assets shall be distributed in proportion to the shares held by the shareholders.

During the liquidation period, the company still exists but shall not carry out any business activities not related to the liquidation. The assets of the company shall not be distributed to shareholders before the liquidation in accordance with the provisions of the preceding paragraph.

If the liquidation committee, having thoroughly liquidated the Company's assets and prepared a balance sheet and an inventory of assets, finds that the Company's assets are insufficient to pay its debts in full, it shall apply to the people's court for bankruptcy

liquidation in accordance with laws. After the people's court accepts the application for bankruptcy liquidation, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation and file the confirmed liquidation report with the company registration authority to apply for deregistration of the company.

Members of the liquidation committee shall perform their liquidation obligation and bear fiduciary and diligent duties. If members of the liquidation committee neglect their liquidation obligation and cause losses to the Company, they shall be liable for compensation. If members of the liquidation committee cause losses to the Company or creditors intentionally or through gross negligence, they shall be liable for compensation.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

OVERSEAS LISTING

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting relevant application documents abroad for the offering or listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If an issuer, after its overseas issuance and listing, seeks to issue and list securities in another overseas market, it shall complete the filing procedures in accordance with the first paragraph of this Article. Furthermore, if the filing materials are complete and comply with regulations, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials and publicly disclose the filing information on the CSRC website. If the filing materials are incomplete or do not comply with regulations, the CSRC shall, within five working days after receiving the filing materials, inform the issuer of the supplementary materials required. The issuer shall supplement the materials within 30 working days.

SUSPENSION AND TERMINATION OF LISTING

The Company Law has deleted the provisions governing suspension and termination of listing. The Securities Law of the People's Republic of China (revised in 2019) (《中華人民共和國證券法(2019年修訂)》) has also removed provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within three working days from the date of occurrence and announcement of the relevant matters.

LOSS OF SHARE CERTIFICATES

In the event that registered shares are lost, stolen, or destroyed, relevant shareholders may, in accordance with the relevant provisions of the Civil Procedure Law, request the people's court to declare the share certificate invalid. After the people's court declares the share certificate invalid, the shareholder may apply to the company for the reissuance of the share certificate.

MERGERS AND DIVISIONS

A company may merge through absorption merger or by establishing a new merged entity. If an absorption merger is adopted, the absorbed company shall be dissolved. If a merger is conducted by establishing a new company, all original companies shall be dissolved.

CHINESE SECURITIES LAWS, REGULATIONS AND REGULATORY SYSTEM

China has promulgated numerous regulations concerning share issuance and trading, and information disclosure. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the territory of China and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in or out of China, supervising the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) specify the application and approval procedures for public share offerings, share trading, acquisition of listed companies, custody, clearing and transfer of listed shares, information disclosure, investigations, penalties, and dispute resolution of listed companies.

The Securities Law came into effect on 1 July 1999, and was amended on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. It is China's first nationwide securities law, consisting of 14 chapters and 226 articles, primarily regulating matters such as the issuance and trading of securities, the acquisition of listed companies, securities exchanges, securities firms, and the responsibilities of securities regulatory authorities under the State Council. The Securities Law comprehensively regulates activities in China's securities market. Article 224 of the Securities Law stipulates that

domestic enterprises issuing shares overseas shall comply with the relevant regulations of the State Council. Currently, the issuance and trading of shares overseas are primarily governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (revised in 2025) (the "Arbitration Law") was adopted by the SCNPC on 31 August 1994, became effective on 1 September 1995, and was amended on 27 August 2009, 1 September 2017 and 12 September 2025, and shall take effect on 1 March 2026. According to the Arbitration Law, before the All China Lawyers Association issues arbitration rules, an arbitration committee may formulate interim arbitration rules in accordance with the relevant provisions of the Arbitration Law and the Civil Procedure Law. If parties agree to resolve disputes through arbitration, the people's courts shall not accept the case, unless the arbitration agreement is declared invalid.

According to the Arbitration Law and the Civil Procedure Law, an arbitral award has final effect on the parties. If one party fails to comply with the arbitral award, the other party may apply to the people's court for enforcement. The people's courts may refuse to enforce an arbitral award made by an arbitration commission if the award contains procedural flaws or defects in the composition of arbitrators as stipulated by law, or if the award exceeds the scope of the arbitration agreement or the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award made by a Chinese arbitral tribunal may, if the other party or its property is not located within the territory of China, apply to a foreign court with jurisdiction over the case for enforcement. Similarly, arbitral awards made by foreign arbitral institutions may be recognized and enforced by Chinese courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by China. Pursuant to a resolution adopted by the SCNPC on 2 December 1986, China acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "New York Convention (《紐約公約》)") adopted on 10 June 1958. The New York Convention stipulates that all arbitral awards made in a New York Convention contracting state shall be recognized and enforced by other contracting states, but reserves the right to refuse enforcement under specific circumstances, including where the enforcement of such arbitral award would be contrary to the public policy of the enforcing state. Upon the People's Republic of China's accession to the New York Convention, the SCNPC simultaneously declared that: (i) China would only recognize and enforce foreign arbitral awards under the principle of reciprocity; and (ii) China would only apply the New York Convention to disputes considered under Chinese law to arise from contractual and non-contractual commercial legal relationships.

An arrangement was reached between Hong Kong and the Supreme People's Court regarding the mutual enforcement of arbitral awards. On 18 June 1999, the Supreme People's Court adopted the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region

(《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which entered into force on 1 February 2000, and the Supplementary Arrangement on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), which was promulgated on 26 November 2020. According to the Arrangement and its Supplementary Arrangement, awards made by arbitral institutions in mainland China under the Arbitration Law may be enforced in Hong Kong, and the awards made by arbitral institutions in Hong Kong may be enforced in mainland China.

JUDICIAL JUDGMENTS AND THEIR ENFORCEMENT

According to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), promulgated by the Supreme People's Court on 25 January 2024, and effective on 29 January 2024, any interested party may, in accordance with the Arrangement, apply to the People's Courts in mainland China or the courts in Hong Kong for recognition and enforcement of effective judgments in civil and commercial cases or civil compensation judgments in criminal cases rendered by courts in mainland China and Hong Kong.

1. DIRECTORS AND BOARD OF DIRECTORS

(1) Power to Allot and Issue Shares

The Board of Directors has the power to formulate proposals for the increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company. Such proposals shall only be implemented after completing the required approval procedures in accordance with the laws, administrative regulations, departmental rules, the listing jurisdiction's regulatory rules, and the Company's articles of association before implementation.

(2) Power to Dispose of Assets of the Company or Any of Its Subsidiaries

In accordance with the relevant laws, administrative regulations, normative documents, and the securities regulatory rules of the stock exchange where the Company's shares are listed, as well as the Articles of Association, the Board of Directors has the power to decide on matters including the Company's external investments, acquisition and disposal of assets, asset mortgages, entrusted wealth management, connected transactions, and external donations, other than those matters required to be approved by the general meeting. Matters that exceed the authorization of the general meeting shall be submitted to the general meeting for deliberation.

(3) Compensation or Payments for Loss of Office

A director may be removed by an ordinary resolution of the general meeting before the expiration of their term of office, without prejudice to any claim for damages that such director may have under any contract. If a director is removed from office before the expiration of their term without justifiable cause, the director may claim compensation from the Company.

(4) Loans to Directors

There are no provisions in the Articles of Association relating to loans to directors.

(5) Financial Assistance to Purchase Shares of the Company or Shares of Any Subsidiary

Neither the Company nor its subsidiaries (including the Company's affiliated enterprises) shall provide financial assistance, in the form of gifts, advances, guarantees, loans, or otherwise, to any person for the acquisition of shares in the Company or its parent company, except as otherwise provided for by laws, administrative regulations, departmental rules, or normative documents.

(6) Disclosure of Interest in Contracts with the Company or Any Subsidiaries

Directors shall not to enter into contracts or conduct transactions with the Company, whether directly or indirectly, without reporting to the Board of Directors or the general meeting and obtaining approval by a resolution passed by the Board of Directors or the general meeting in accordance with the Articles of Association.

(7) Remuneration

The appointment and removal of members of the Board of Directors and the determination of matters relating to the remuneration of directors shall be approved by way of ordinary resolution at the general meeting.

(8) Retirement, Appointment and Removal

The Company has established a Board of Directors consisting of nine directors, of whom three are independent non-executive directors. Members of the Board of Directors shall be elected by the general meeting in accordance with the law. Directors shall be elected or replaced by the general meeting and may be removed by the general meeting before the expiration of their term of office. A director shall serve a term of three years and can be re-elected upon the expiry of the tenure. The Board of Directors shall have one Chairperson, who shall be elected by a majority of all directors.

The term of office of a director shall start from the date on which the director assumes office to the expiration of the term of office of the current Board of Directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as a director pursuant to laws, administrative regulations, departmental rules, the securities regulatory rules in the jurisdiction where the Company's shares are listed and the Articles of Association until a new director is elected.

A director may concurrently serve as a senior management member, provided that the total number of directors who concurrently serve as senior management members and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

The directors of the Company are natural persons, and none of the following persons shall serve as a director:

(I) a person who has no civil capacity or has limited civil capacity;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment of property, misappropriation of property, or disruption of the socialist market economic order, where less than five years have elapsed since the date of completion of the sentence; or a person who has been deprived of their political rights due to a criminal offense, where less than five years have elapsed since the date of completion of such deprivation; or a person who has been granted a probation period for a suspended sentence, where less than two years have elapsed since the expiration of the probation period;

(III) a director, factory manager, or manager of a company or enterprise that has been liquidated due to bankruptcy, who was personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy liquidation;

(IV) the legal representative of a company or enterprise which had its business license revoked or was ordered to close down due to a violation of the law, who was personally liable for such revocation or closure, where less than three years have elapsed since the date of the revocation of the business license or the closure order;

(V) a person who has a large amount of overdue debts that remain unsettled and has been listed as a dishonest judgment debtor by a people's court;

(VI) a person who is currently subject to a ban from the securities market imposed by the China Securities Regulatory Commission (CSRC), where the term of such ban has not yet expired;

(VII) a person who has been publicly identified by a stock exchange as unsuitable for serving as a director, senior management member, or other position of a listed company, where the period of such identification has not yet expired;

(VIII) any other circumstances where a person is prohibited from serving as a director of the Company under laws, administrative regulations, departmental rules, normative documents, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the provisions of relevant regulatory authorities.

Any election, appointment, or employment of directors in violation of this Article shall be invalid. If any of the circumstances stipulated in this Article arise during the term of office of a director, the Company shall remove them from office and terminate their performance of duties.

(9) Borrowing Powers

The Board of Directors has the power to formulate proposals for the Company's issuance of bonds or other securities and listing plans. Such proposals shall only be implemented after completing the required approval procedures in accordance with laws, administrative regulations, departmental rules, the listing jurisdiction's regulatory requirements, and the Company's articles of association.

2. AMENDMENT TO CONSTITUTIONAL DOCUMENTS

The Company shall amend the Articles of Association under any of the following circumstances:

(I) after the Company Law or relevant laws and administrative regulations are amended, the matters provided for in the Articles of Association are in conflict with the provisions of such amended laws or administrative regulations;

(II) changes occur in the Company's circumstances, resulting in inconsistency with the matters recorded in the Articles of Association; or

(III) the general meeting resolves to amend the Articles of Association.

Where an amendment to the Articles of Association approved by way of a resolution at the general meeting is subject to examination and approval by a competent authority, it shall be submitted to such authority for approval; where such amendment involves any company registration matters, an application for change of registration shall be filed in accordance with the law.

3. RIGHTS TO ALTER EXISTING SHARES OR CLASSES OF SHARES

There are no provisions in the Articles of Association regarding the rights to alter existing shares or classes of shares.

4. SPECIAL RESOLUTIONS REQUIRE A SUPER-MAJORITY VOTE

Resolutions of the general meeting are classified as ordinary resolutions or special resolutions.

An ordinary resolution of the general meeting shall be passed by a majority of the voting rights held by the shareholders present at the meeting, including their proxies.

A special resolution of the general meeting shall be passed by a majority of two-thirds of the voting rights held by the shareholders present at the meeting, including their proxies.

The following matters shall be approved by an ordinary resolution of the general meeting:

1. to elect and replace directors, and to decide on matters relating to their remuneration;

2. to consider and approve reports of the Board of Directors;

3. to consider and approve the Company's profit distribution plans and loss recovery plans;

4. to resolve on the Company's issuance of bonds (excluding bonds convertible into the Company's shares);

5. to consider and approve matters concerning guarantees provided by the Company, and matters related to the Company's investments, acquisition and disposal of assets that are required to be approved by the general meeting in accordance with the Articles of Association;

6. to consider and approve any change in the use of proceeds;

7. to consider and approve employee share schemes;

8. to consider and approve any transaction where any applicable percentage ratio calculated in accordance with Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is twenty-five percent (25%) or more (including a single transaction and a series of transactions required to be aggregated, but excluding any transaction exempt from shareholders' approval requirements under the Hong Kong Listing Rules or by the Hong Kong Stock Exchange), or any connected transaction where any applicable percentage ratio is five percent (5%) or more (including a single transaction and a series of transactions required to be aggregated, but excluding any connected transaction exempt from disclosure or announcement requirements under the Listing Rules or by the Hong Kong Stock Exchange);

9. to decide on the appointment and dismissal of the accounting firm for the Company's annual audit; and

10. to consider and approve any other matters that, according to laws, administrative regulations, departmental rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association, shall be decided by the general meeting by way of ordinary resolution.

Other matters shall be approved by way of special resolution.

The following matters shall be resolved by way of special resolution at a general meeting:

(1) the increase or reduction of the Company's registered capital;

(2) the merger, division, dissolution, liquidation (including voluntary winding up), or change of corporate form of the Company;

(3) amendments to the Articles of Association;

(4) the purchase or disposal of material assets (including equity investments) or the provision of guarantees by the Company within one year with an aggregate amount exceeding 30% of the Company's latest audited consolidated total assets (excluding guarantees provided by the Company to its wholly-owned subsidiaries);

(5) the consideration and approval of equity incentive schemes;

(6) the issuance of corporate bonds convertible into shares by the Company; and

(7) other matters required by laws, administrative regulations, departmental rules, the Listing Rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association to be resolved by a special resolution, and any other matters that, as determined at the general meeting by way of an ordinary resolution, shall have a material impact on the Company and require approval by a special resolution.

5. VOTING RIGHTS (GENERAL RULES FOR VOTING)

Shareholders (including their proxies) shall exercise their voting rights as represented by the number of voting shares held by them, and each share shall have one vote. Shareholders (including their proxies) entitled to two or more votes on a poll is under no obligation to cast all such votes in the same way, whether for, against, or in abstention.

When major matters affecting the interests of minority shareholders are reviewed at a general meeting, the votes of minority shareholders shall be counted separately. The results of such separate counts shall be disclosed to the public in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association.

Shareholders attending a general meeting shall express one of the following opinions on a proposal submitted for voting: for, against, or abstain.

Any ballot that is blank, incorrectly completed, illegible, or not cast shall be deemed as a waiver of the voting rights by the voter, and the voting result corresponding to the number of shares held by them shall be counted as "abstain."

If the security regulatory rules in the jurisdiction where the Company's shares are listed require any shareholder to abstain from voting on any particular resolution, or restrict any shareholder to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted.

6. REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

General meetings shall be classified into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once every fiscal year and within six months after the end of the preceding financial year.

7. ACCOUNTS AND AUDIT

(1) Financial and Accounting Policies

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, and the requirements of the relevant authorities of the State. At the end of each financial year, the Company shall prepare a financial and accounting report, which shall be audited by an accounting firm in accordance with the law.

The financial and accounting report shall be made available at the Company for inspection by shareholders at least 20 days before the convening of the annual general meeting.

The Company shall not set up any other accounting books except for the statutory accounting books. The assets of the Company shall not be deposited into an account established in the name of any individual.

(2) Appointment and Removal of Auditors

The Company shall appoint an independent accounting firm that complies with relevant State regulations and the security regulatory rules in the jurisdiction where the Company's shares are listed to audit financial statements, verify net assets, and offer other relevant consultancy services. The term of appointment shall be one year and may be renewed.

The appointment and dismissal of the accounting firm providing annual audit services to the Company shall be determined by the general meeting.

Where the Company removes or resolves not to renew the appointment of an accounting firm, it shall provide such accounting firm with 30 days' prior notice. Where the general meeting votes on the removal or non-renewal of the accounting firm, such accounting firm shall be entitled to make representations to the general meeting. Where an accounting firm tenders its resignation, it shall state to the general meeting whether there are any improper circumstances involving the Company.

The audit fees of the accounting firm providing annual audit services shall be determined by the general meeting.

The Company undertakes to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the appointed accounting firm and shall not refuse to provide, conceal or make false reports.

8. NOTICE AND AGENDA OF GENERAL MEETINGS

(1) General Provisions of General Meetings

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(I) the number of directors is less than the minimum number prescribed by the Company Law, or less than two-thirds of the number required by the Articles of Association;

(II) the uncovered losses of the Company reach one-third of its total share capital;

(III) shareholders individually or collectively holding 10% or more of the Company's voting rights (excluding voting rights of treasury shares) request in writing;

(IV) the Board of Directors considers it necessary;

(V) the Audit Committee of the Board of Directors proposes to convene such a meeting; or

(VI) other circumstances required by laws, administrative regulations, departmental rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association.

(2) Convening General Meetings

The Board of Directors shall convene general meetings on time within the prescribed period.

With the consent of more than half of all independent non-executive directors, such directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding such proposals, the Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees, it shall issue a notice of the general meeting within five days after the board resolution is made; if it disagrees, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting in writing. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice within five days after the board resolution is made; any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary general meeting or fails to provide feedback within 10 days, it shall be deemed unable or failed to perform its duty to convene the meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or collectively holding 10% or more of the Company's shares (excluding treasury shares) have the right to request the Board of Directors to convene an extraordinary general meeting and to add resolutions to the meeting agenda in writing. The Board of Directors shall provide written feedback within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice within five days; any changes to the original request shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees or fails to provide feedback within 10 days, shareholders individually or collectively holding 10% or more of the Company's shares (excluding treasury shares) shall have the right to propose to the Audit Committee to convene the meeting in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice within five days; any changes to the original request shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue the notice within the prescribed period, it shall be deemed as not convening or presiding over the meeting, and shareholders individually or collectively holding 10% or more of the Company's shares (excluding treasury shares) for 90 consecutive days or more may convene and preside over the meeting on their own.

Where the Audit Committee or shareholders decide to convene a general meeting on their own, they shall notify the Board of Directors in writing and file with the relevant stock exchange(s) (if required) in accordance with the security regulatory rules in the jurisdiction where the Company's shares are listed.

The Audit Committee or the convening shareholders shall submit relevant supporting materials to the relevant stock exchange(s) when issuing the meeting notice and the announcement of resolutions.

Before the announcement of the general meeting resolutions, the shareholding of the convening shareholders (excluding treasury shares) shall not be less than 10%.

(3) Proposals for General Meetings

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders individually or collectively holding 1% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or collectively holding 1% or more of the Company's shares may submit an interim proposal in writing to the convener 10 days before the general meeting is held. The interim proposal shall have definite topics and specific matters for resolution. The convener shall issue a supplementary notice of the general meeting within two days upon receipt of the interim proposal and submit the interim proposal to the general meeting for consideration; except where the interim proposal violates laws, administrative regulations, or the Articles of Association, or does not fall within the scope of authority of the general meeting.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the general meeting or add new proposals after the issuance of such notice.

The general meeting shall not vote or resolve on any proposal not set out in the notice or which does not comply with the Articles of Association.

The convener shall notify all shareholders of an annual general meeting by way of announcement at least 21 days prior to the meeting, and notify all shareholders of an extraordinary general meeting at least 15 days prior to the meeting. The aforementioned periods shall exclude the date on which the meeting is held. If laws, regulations, and the securities regulatory authorities in the jurisdiction where the Company's shares are listed provide otherwise, such provisions shall prevail.

9. TRANSFER OF SHARES

Shares issued by the Company prior to its public offering shall not be transferred within one year from the date on which the Company's shares are listed and traded on a stock exchange.

The directors and senior management of the Company shall declare to the Company the number of shares held by them and subsequent changes in their shareholdings. During their term of office, as determined at the time of appointment, the number of shares transferred each year shall not exceed 25% of the total number of the Company's shares of the same class held by them. The Company's shares held by them shall not be transferred within one year from the date on which the Company's shares are listed and traded. The shares of the Company held by the aforementioned individuals shall not be transferred within six months after their resignation.

If the shares are pledged within the restricted transfer period as provided for by laws and administrative regulations, the pledgee shall not exercise the pledge right during such restricted period.

If the security regulatory rules in the jurisdiction where the Company's shares are listed provide otherwise regarding the transfer restrictions of overseas listed shares, such provisions shall prevail.

10. POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES

The Company shall not purchase its own shares, except under any of the following circumstances:

(I) to reduce the registered capital of the Company;

(II) to merge with another company that holds shares in the Company;

(III) to use the shares for employee share schemes or equity incentives;

(IV) to acquire the shares of shareholders who, having voted against any resolution on the merger or division of the Company adopted at a general meeting, request the Company to purchase their shares;

(V) to utilize shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;

(VI) to safeguard the Company's value and shareholders' rights and interests as deemed necessary by the Company; or

(VII) other circumstances permitted by laws, administrative regulations, the security regulatory rules in the jurisdiction where the Company's shares are listed, or other relevant provisions.

The Company may purchase its own shares through open centralized trading or by other means recognized by laws, administrative regulations, the Listing Rules, and the security regulatory rules in the jurisdiction where the Company's shares are listed.

Where the Company purchases its shares under the circumstances set out in items (III), (V), and (VI) above, the repurchase shall be conducted through open centralized trading.

Any repurchase of shares under the circumstances set out in items (I), (II) or (III) above shall be subject to a resolution of the general meeting. Any repurchase of shares under the circumstances set out in items (V), or (VI) above may, in accordance with the Articles of Association or the authorization of the general meeting, be resolved by a Board meeting attended by no less than two-thirds of the directors. If the security regulatory rules in the

jurisdiction where the Company's shares are listed provide otherwise, such provisions shall prevail, provided that they do not conflict with the Company Law, the Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), and the Guidelines for Articles of Association of Listed Companies.

After the Company purchases its shares in accordance with the aforementioned provisions, shares purchased under the circumstances set out in item (I) shall be canceled within 10 days from the date of purchase; shares purchased under the circumstances set out in items (II) or (IV) shall be transferred or canceled within six months; and for shares purchased under the circumstances set out in items (III), (V), or (VI), the total number of shares held by the Company shall not exceed 10% of the Company's total issued shares, and such shares shall be transferred or canceled within three years.

If relevant laws, administrative regulations, normative documents, and the security regulatory rules in the jurisdiction where the Company's shares are listed provide otherwise regarding the aforementioned share repurchases, such provisions shall prevail.

11. POWER OF ANY SUBSIDIARY OF THE COMPANY TO HOLD SHARES IN THE COMPANY

There are no provisions in the Articles of Association regarding the holding of shares in the Company by its subsidiaries.

12. DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company's dividend distribution policy emphasizes providing reasonable returns to investors, maintaining continuity and stability while taking into account the long-term interests of the Company, the overall interests of all shareholders, and the Company's sustainable development. The Company primarily adopts cash dividends as its method of dividend distribution. The Company may make interim profit distributions where conditions permit. The dividend payout ratio may vary from year to year, and the Company provides no assurance that any specific amount of dividend will be paid in any given period.

Before declaring or recommending the payment of dividends, the Board of Directors shall consider the following factors:

(1) the Company's actual and expected financial performance;

(2) the Company's expected working capital requirements, capital expenditure requirements, and future expansion plans;

(3) the Company's current and future liquidity position;

(4) economic conditions and other internal or external factors that may affect the Company's business or financial performance and condition; and

(5) any other factors deemed appropriate by the Board of Directors.

Where the Company distributes profits to shareholders in violation of the Company Law, shareholders shall refund such profits to the Company. If losses are caused to the Company, the shareholders and the responsible directors and senior management members shall be liable for compensation.

Shares of the Company held by the Company shall not participate in the distribution of profits.

13. PROXIES

Shareholders may attend general meetings in person or appoint a proxy to attend and vote on their behalf.

Each shareholder has the right to appoint one or more persons (who do not need to be a shareholder) as their proxy to attend and vote on their behalf. If a shareholder is a corporation, it may appoint one or more persons to represent it at any general meeting of the Company and to vote thereat. If such corporation has appointed a representative to attend any meeting, it shall be deemed to be present in person.

If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time, such shareholder may authorize one or more persons as it considers appropriate to act as its representative at any general meeting; however, if more than one person is authorized, the authorization letter shall specify the number and class of shares in respect of which each such person is so authorized. The authorization letter shall be signed by an authorized officer of the recognized clearing house. A person so authorized may attend meetings on behalf of the recognized clearing house (or its nominee) (without being required to produce share certificates, notarized authorization, and/or further evidence of their formal authorization), and shall be entitled to speak and exercise rights at the meeting as if such person were an individual shareholder of the Company. These authorized persons shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote.

Individual shareholders attending a meeting in person shall present their identity card or other valid certificates or proof of identity; those attending as a proxy for others shall present their valid identity document and the proxy form from the shareholder.

Corporate shareholders shall be represented at a meeting by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, they shall present their identity card and valid proof of their qualification as a legal representative. If an agent attends the meeting, the agent shall present their identity card and

a written power of attorney or proxy form lawfully issued by the legal representative of the corporate shareholder (unless the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances enacted in Hong Kong from time to time). If such corporate shareholder has appointed a representative to attend any meeting, it shall be deemed to be present in person.

14. CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association regarding calls on shares and forfeiture of shares.

15. INSPECTION OF REGISTER OF MEMBERS

The Company shall maintain a register of members based on the evidence provided by the securities registration and clearing authority. The register of members shall be sufficient evidence of the shareholders' holding of the Company's shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

The original register of members for H shares shall be kept in Hong Kong for inspection by shareholders. However, the Company may suspend the registration of members in accordance with applicable laws, administrative regulations, and the security regulatory rules in the jurisdiction where the Company's shares are listed, on terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Any shareholder registered in the register of members, or any person requesting to have their name entered in the register of members, may, if their share certificate is lost, apply to the Company for a replacement share certificate in respect of such shares. Applications by holders of overseas listed foreign shares for replacement of lost share certificates shall be handled in accordance with the laws, rules of the stock exchange, or other relevant provisions of the place where the original register of members for such shares is kept.When the Company convenes a general meeting, distributes dividends, conducts liquidation, or engages in other acts requiring confirmation of shareholder identity, the Board of Directors or the convener of the general meeting shall determine the record date. Shareholders registered after the close of business on the record date shall be the shareholders entitled to the relevant rights and interests.

16. QUORUM FOR GENERAL MEETINGS AND SEPARATELY CONVENED CLASS MEETINGS

There are no provisions in the Articles of Association regarding the quorum for general meetings and class meetings.

17. RIGHTS OF MINORITY SHAREHOLDERS IN CASES OF FRAUD OR OPPRESSION

Where a director violates laws, administrative regulations, departmental rules, or the Articles of Association in the performance of their duties, resulting in any loss to the Company, they shall be liable for compensation.

Where a director or senior management member violates laws, administrative regulations, or the Articles of Association in the performance of their duties, resulting in any loss to the Company, shareholders who individually or collectively hold 1% or more of the Company's shares for 180 consecutive days or more have the right to request the Audit Committee in writing to initiate legal proceedings in a people's court.

Where the Audit Committee refuses to initiate legal proceedings after receiving the written request from shareholders as prescribed in the preceding paragraph, or fails to initiate legal proceedings within 30 days upon receipt of such request, or where the situation is so urgent that failure to initiate legal proceedings immediately will cause irreparable damage to the Company's interests, the shareholders prescribed in the preceding paragraph shall have the right to initiate legal proceedings directly in a people's court in their own name for the interests of the Company.

Where a third party infringes upon the legitimate rights and interests of the Company, resulting in any loss to the Company, the shareholders prescribed in the preceding two paragraphs may initiate legal proceedings in a people's court in accordance with the provisions of the preceding two paragraphs.

18. WINDING-UP PROCEDURES

The Company shall be dissolved under any of the following circumstances:

(I) the term of business set forth in the Articles of Association of Association has expired or any other event of dissolution specified herein has occurred;

(II) the general meeting passes a resolution to dissolve the Company;

(III) dissolution is necessary due to the merger or division of the Company;

(IV) the business license is revoked, the Company is ordered to close down, or its registration is canceled in accordance with the laws;

(V) where the Company encounters serious difficulties in operation and management such that its continued existence would cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the Company may petition a people's court to dissolve the Company.

Upon the occurrence of any of the dissolution events set out in the preceding paragraph, the Company shall, within 10 days, publicly disclose the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the Company is under the circumstances set out in items (I) or (II) above and has not yet distributed assets to the shareholders, it may continue to exist by amending its Articles of Association or by a resolution of the general meeting.

Amendments to the Articles of Association or resolutions of the general meeting in accordance with the preceding paragraph shall be passed by no less than two-thirds of the voting rights held by the shareholders present at the general meeting.

If the Company is dissolved under items (I), (II), (IV), or (V) above, it shall undergo liquidation. The directors shall be the liquidation obligors and shall form a liquidation committee to begin liquidation within 15 days from the date of the occurrence of the dissolution event.

The liquidation committee shall consist of directors, unless the general meeting resolves to appoint other persons.

If the liquidation obligors fail to perform their liquidation obligations in a timely manner, resulting in losses to the Company or its creditors, they shall be liable for compensation.

If the Company is required to liquidate but fails to establish a liquidation committee within the time limit, or fails to carry out liquidation after establishing such committee, interested parties may apply to a people's court to designate relevant persons to form a liquidation committee to carry out the liquidation.

If the Company is dissolved under item (IV) above, the department that made the decision to revoke the business license or order the closure or de-registration, or the company registration authority, may apply to a people's court to designate relevant persons to form a liquidation committee for liquidation.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

(I) to liquidate the Company's assets and prepare a balance sheet and an inventory of assets;

(II) to notify and issue announcements to creditors;

(III) to handle the Company's unfinished business related to the liquidation;

(IV) to settle outstanding taxes and taxes incurred during the liquidation process;

(V) to clear claims and debts;

(VI) to distribute the remaining assets of the Company after settlement of its debts; and

(VII) to represent the Company in civil litigation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and shall make an announcement in a newspaper or through the National Enterprise Credit Information Publicity System, and in such manner as required by the stock exchange where the Company's shares are listed, within 60 days. Creditors shall, within 30 days of receipt of the notice, or within 45 days of the date of the announcement for those who have not received such notice, declare their claims to the liquidation committee.

Creditors declaring claims shall specify relevant matters concerning the claims and provide the supporting documents. The liquidation committee shall register the claims.

During the claim declaration period, the liquidation committee shall not make any repayment to creditors.

After the liquidation committee has liquidated the Company's assets and prepared a balance sheet and an inventory of assets, it shall formulate a liquidation plan and submit it to the general meeting or a people's court for confirmation.

After the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensations, outstanding taxes and the Company's debts from the Company's assets, the remaining assets shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to the liquidation.

The assets of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

If the liquidation committee, after thoroughly liquidating the Company's assets and preparing a balance sheet and an inventory of assets, finds that the Company's assets are insufficient to pay its debts in full, it shall apply to a people's court for bankruptcy liquidation in accordance with laws.

After the people's court accepts the application for bankruptcy liquidation, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation and file it with the company registration authority to apply for deregistration of the Company.

Members of the liquidation committee shall perform their liquidation obligation and bear fiduciary and diligent duties.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the obligations of liquidation; members of the liquidation committee who cause losses to the Company or creditors due to intentional or gross negligence shall be liable for compensation.

If the Company is declared bankrupt in accordance with laws, bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

19. OTHER PROVISIONS MATERIAL TO THE PRC ISSUER OR THE SHAREHOLDERS THEREOF

(1) General Provisions

The Company is a joint stock limited company with an indefinite operating period commencing from March 23, 2001.

The liability of shareholders is limited to the amount of shares they have subscribed, and the Company shall be liable for its debts with all of its assets.

From its effective date, the Articles of Association shall be a legally binding document governing the Company's organization and conduct, and the rights and obligations between the Company and its shareholders, and among the shareholders themselves. It shall be legally binding on the Company, its shareholders, members of the Party organization, directors, and senior management.

(2) Capital Increase and Reduction

Subject to approval by the general meeting, the Company may, based on its operational and development needs, increase its registered capital through public offerings, non-public offerings, allotment of bonus shares to existing shareholders, Capitalization of Reserve Funds or other methods stipulated by laws, administrative regulations, the Articles of Association, the security regulatory rules in the jurisdiction where the Company's shares are listed, or as approved by the CSRC.

(3) Shareholders

Shareholders of the Company shall enjoy the following rights:

(I) to receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;

(II) to legally request, convene, preside over, attend, or appoint a proxy to attend general meetings and exercise the right to speak and the corresponding voting rights thereat;

(III) to supervise the Company's operations, and to make recommendations or inquiries;

(IV) to transfer, gift, or pledge the shares they hold in accordance with laws, administrative regulations, the requirements of the security regulatory rules in the jurisdiction where the Company's shares are listed, and the Articles of Association;

(V) to inspect and copy the Articles of Association, the register of members, minutes of general meetings, resolutions of meetings of the Board of Directors, and financial accounting reports; eligible shareholders may inspect the Company's accounting books and vouchers;

(VI) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon termination or liquidation of the Company;

(VII) for shareholders who dissent from a resolution of the general meeting on the merger or division of the Company, to request the Company to purchase their shares, subject to compliance with the Articles of Association, relevant laws and regulations, and the procedural requirements for share repurchases under the security regulatory rules in the jurisdiction where the Company's shares are listed; and

(VIII) other rights stipulated by laws, administrative regulations, departmental rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(I) to abide by laws, administrative regulations, and the Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to withdraw their share capital, except as provided for by laws and regulations;

(IV) not to abuse shareholder rights to damage the interests of the Company or other shareholders; and not to abuse the independent status of the Company as a legal person or the limited liability of shareholders to damage the interests of the Company's creditors; and

(V) other obligations imposed by laws, administrative regulations, the security regulatory rules in the jurisdiction where the Company's shares are listed, and the Articles of Association.

Where a shareholder of the Company abuses their shareholder rights and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. Where a shareholder of the Company abuses the independent status of the Company as a legal person or the limited liability of shareholders to evade debts, thereby seriously harming the interests of the Company's creditors, such shareholder shall assume joint and several liability for the debts of the Company.

Where a shareholder uses two or more companies under their control to commit the acts specified in the preceding paragraph, each such company shall bear joint and several liability for the debts of any of the companies.

(4) Board of Directors

The Board of Directors shall exercise the following functions and powers:

(I) to convene general meetings and report to general meetings;

(II) to implement the resolutions of general meetings;

(III) to decide on the Company's business operation plans and investment proposals;

(IV) to decide on the Company's annual financial budgets and final accounts;

(V) to formulate the Company's profit distribution plans and loss recovery plans;

(VI) to formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities, and the listing of the Company;

(VII) to formulate proposals for the Company's material acquisitions, repurchase of the Company's shares, or merger, division, dissolution, and change of corporate form;

(VIII) to decide on matters other than those requiring approval by the general meeting, such as external investments, acquisition and disposal of assets, asset mortgages, entrusted wealth management, connected transactions, and external donations;

(IX) to decide on the establishment of the Company's internal management structure;

(X) to decide on the appointment or dismissal of the Company's General Manager and determine their remuneration; and based on the nomination of the General Manager, to decide on the appointment or dismissal of senior management members including the Deputy General Managers and the Financial Officer, and to determine their remuneration and matters relating to the Secretary to the Board;

(XI) to formulate the basic management system of the Company;

(XII) to formulate proposals for the amendment to the Articles of Association;

(XIII) to manage information disclosure matters of the Company;

(XIV) to review the work reports of the General Manager and examine the work of the General Manager;

(XV) to consider the Company's external guarantee matters in accordance with Article 43 of the Articles of Association; where such matters require the approval of the general meeting, they shall be submitted to the general meeting after being considered and approved by the Board of Directors, while all other external guarantee matters shall be determined by the Board of Directors;

(XVI) to decide on the establishment, membership, and relevant systems of the special committees under the Board of Directors;

(XVII) to elect and replace the Chairperson; and

(XVIII) other functions and powers as granted by laws, administrative regulations, departmental rules, the Listing Rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, the Articles of Association, Rules of Procedure of the Board of Directors or the general meeting.

Matters exceeding the scope of authorization by the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors may delegate authority to the management, provided that such delegated matters do not violate the relevant provisions of laws, administrative regulations, departmental rules, the Listing Rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association.

(5) Responsibilities of Directors

Directors shall owe the following fiduciary duties to the Company:

(I) not to encroach upon the Company's property or embezzle the Company's funds;

(II) not to deposit the Company's funds in an account opened in their own name or in the name of any other individual;

(III) not to exploit their functions and powers to offer bribes or accept other illegal income;

(IV) not to enter into contracts or conduct transactions with the Company, whether directly or indirectly, without reporting to the Board of Directors or the general meeting and obtaining approval by a resolution passed by the Board of Directors or the general meeting in accordance with the Articles of Association;

(V) not to take advantage of their positions to seek for themselves or others any business opportunities that belong to the Company, except where such matters have been reported to the Board of Directors or the general meeting and approved by resolution of the general meeting, or where the Company is unable to exploit such business opportunities in accordance with laws, administrative regulations, the security regulatory rules in the jurisdiction where the Company's shares are listed, or the Articles of Association;

(VI) not to engage in or operate for others any business similar to that of the Company without reporting to the Board of Directors or the general meeting and obtaining approval by resolution of the general meeting;

(VII) not to accept and keep for their own benefit any commissions from transactions between other parties and the Company;

(VIII) not to disclose secrets of the Company without authorization;

(IX) not to harm the interests of the Company by taking advantage of their related party relationships;

(X) other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, and the Articles of Association.

Any income obtained by a director in violation of this Article shall belong to the Company; where losses are caused to the Company, the director shall be liable for compensation.

Directors shall comply with laws, administrative regulations, and the Articles of Association, and owe a duty of diligence to the Company. When performing their duties, directors shall exercise the reasonable care normally expected of a manager in the best interests of the Company.

Directors shall owe the following duties of diligence to the Company:

(I) to exercise the rights granted by the Company prudently, conscientiously, and diligently to ensure that the Company's business conduct complies with the requirements of national laws, administrative regulations, and various national economic policies, and that its business activities do not exceed the scope specified in its business license;

(II) to treat all shareholders fairly;

(III) to keep abreast of the Company's business operations and management status;

(IV) to sign written confirmation opinions on the Company's periodic reports and ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to truthfully provide relevant information and materials to the Audit Committee and not to impede the Audit Committee from exercising its functions and powers; and

(VI) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the security regulatory rules in the jurisdiction where the Company's shares are listed, and the Articles of Association.

Where a director violates laws, administrative regulations, departmental rules, or the Articles of Association in the performance of their duties, resulting in any loss to the Company, they shall be liable for compensation.

If a director causes damage to a third party while performing their duties, the Company shall be liable for compensation; if the director acts with intent or gross negligence, they shall also be liable for compensation.

(6) Independent Non-executive Directors

The Company shall establish a Board of Directors consisting of nine directors, of whom independent non-executive directors shall represent at least one-third and shall be no fewer than three.

(7) Audit Committee

The Board of Directors shall establish an Audit Committee, which shall exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law.The Audit Committee shall consist of at least three directors, all of whom shall be non-executive directors, and independent non-executive directors shall constitute a majority. At least one independent non-executive director shall possess appropriate professional qualifications or appropriate accounting or related financial management expertise as required under the Listing Rules. An independent non-executive director shall serve as the convener.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration after obtaining the consent of more than half of all members of the Audit Committee:

(I) the disclosure of financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;

(II) the appointment or dismissal of the accounting firm undertaking the annual audit business of the Company;

(III) the appointment or dismissal of the financial officer;

(IV) changes to accounting policies or accounting estimates, or corrections of material accounting errors, for reasons other than changes in accounting standards; and

(V) other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the security regulatory rules in the jurisdiction where the Company's shares are listed, and the Articles of Association.

The working procedures for the Audit Committee shall be formulated by the Board of Directors.

(8) General Manager

The Company shall have one general manager, who shall be nominated by the shareholder Zhejiang Lianyu Trading Co., Ltd. and appointed or dismissed by the Board of Directors.

The general manager shall be responsible to the Board of Directors and exercise the following functions and powers:

(I) to preside over the production, operation and management of the Company, organize the implementation of the resolutions passed by the Board of Directors and report their work to the Board of Directors;

(II) to organize the implementation of the Company's annual business plans and investment proposals;

(III) to prepare proposals for the establishment of the Company's internal management structure;

(IV) to draft the Company's basic management system;

(V) to formulate the specific rules of the Company;

(VI) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general managers, the financial officer, and the secretary to the board, and to make recommendations to the Board of Directors regarding the remuneration of such personnel;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board of Directors, and to determine the remuneration of such personnel;

(VIII) to decide on other operational and management matters other than those subject to the decision-making of the general meeting, the Party Committee, or the Board of Directors; and

(IX) other functions and powers granted by the Articles of Association or the Board of Directors.

The general manager shall attend Board meetings as a non-voting attendee.

(9) Reserve Funds

When the Company distributes its after-tax profits for the current year, 10% of the profits shall be allocated to the Company's statutory reserve fund. If the cumulative amount of the statutory reserve fund exceeds 50% of the Company's registered capital, no further allocation is required.

If the statutory reserve fund is not sufficient to make up the losses in the previous years, the profits of the current year shall be used to make up the losses before allocations are set aside for the statutory reserve fund according to the provisions of the preceding paragraph.

After the company allocates funds to the statutory reserve fund from the after-tax profits, it may also allocate funds to a discretionary reserve fund from the after-tax profits upon a resolution of the general meeting.

The Company's remaining after-tax profits, after making up for losses and making allocations to the reserve funds, shall be distributed in proportion to the shares held by the shareholders upon a resolution of the general meeting.

The Company's reserve funds shall be used to make up for its losses, expand its production and operations, or be converted into additional registered capital of the Company. When the reserve funds are used to make up for the Company's losses, the discretionary reserve funds and the statutory reserve fund shall be used first; if the losses still cannot be fully made up, the capital reserve fund may be used in accordance with relevant provisions.

When the statutory reserve fund is converted to increase the registered capital, the remaining portion of such reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

1. FURTHER INFORMATION ABOUT OUR GROUP

Incorporation

Our Company was established as a limited liability company under the laws of the PRC on March 23, 2001 and was converted into a joint stock company with limited liability on May 11, 2009.

Our Company has established a place of business in Hong Kong at Office Unit 1501A on 15th Floor of Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong. Our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 10, 2026, with Ms. Pun Ka Ying appointed as the authorized representatives of our Company for acceptance of the service of process and any notices required to be served on our Company in Hong Kong.

As we were established in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Taxation and Foreign Exchange", "Summary of Principal Legal and Regulatory Provisions" and "Summary of Articles of Association" in Appendices III, IV and V to this document, respectively.

Changes in the Share Capital of Our Company

There has been no alteration in our share capital within the two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our principal subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this document.

The following subsidiaries of our Company were established within two year immediately preceding the date of this document:

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital
Angian Al-Sharq Al-Ausath Ltd. Company	Kingdom of Saudi Arabia	September 16, 2024	SAR1,040,000
M Cogeneration Industrial Co., Ltd.	Thailand	February 3, 2025	THB100,000,000
Zhejiang Lianhua Hebang Resources Co., Ltd. (浙江聯華合邦資源有限公司)	PRC	February 20, 2025	RMB100,000,000

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital
CIEC Azt Scaffolds Trading L.L.C.	United Arab Emirates	August 5, 2025	AED1,500,000
Hangzhou Relian Chunyu Trading Co., Ltd. (杭州熱聯淳宇貿易有限公司)	PRC	September 19, 2025	RMB50,000,000
Zhejiang Relian Chain Energy Co., Ltd. (浙江熱聯鏈能能源有限責任公司)	PRC	December 2, 2025	RMB50,000,000
Hangzhou CIEC Youfa Supply Chain Co., Ltd. (杭州熱聯友發供應鏈有限公司)	PRC	January 4, 2026	RMB200,000,000
HONORS SHANCHENG COTE D'IVOIRE INDUSTRIAL SARL	Côte d'Ivoire	June 10, 2026	XOF1,160,000,000
CIEC Tanzania Trading Company Limited	United Republic of Tanzania	June 18, 2026	RMB3,560,001
Hangzhou CIEC Wuhefeng Supply Chain Management Co., Ltd. (杭州熱聯五和峰供應鏈管理有限公司)	PRC	July 15, 2026	RMB100,000,000

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

Anhui CIEC Wangang Supply Chain Management Co., Ltd. (安徽熱聯皖鋼供應鏈管理有限公司)

On December 16, 2024, the registered capital of Anhui CIEC Wangang Supply Chain Management Co., Ltd. increased from RMB126,050,000 to RMB269,320,000.

Zhejiang Four Bung

On March 28, 2025, the registered capital of Zhejiang Four Bung decreased from RMB920,000,000 to RMB820,000,000. On July 24, 2025, the registered capital of Zhejiang Four Bung decreased from RMB820,000,000 to RMB650,000,000. On January 7, 2026, the registered capital of Zhejiang Four Bung decreased from RMB650,000,000 to RMB550,000,000.

Hangzhou CIEC Supply Chain Technology Co., Ltd. (杭州熱聯供應鏈科技有限公司)

On December 29, 2025, the registered capital of Hangzhou CIEC Supply Chain Technology Co., Ltd. increased from RMB60,000,000 to RMB200,000,000.

Ningbo (Bonded Warehouse) CIEC Resource Co., Ltd. (寧波保稅區熱聯礦產資源有限公司)

On March 4, 2026, the registered capital of Ningbo (Bonded Warehouse) CIEC Resource Co., Ltd. increased from RMB50,000,000 to RMB100,000,000.

Zhejiang Free Trade Zone Hangshi Jindi Energy Co., Ltd. (浙江自貿區杭實金帝能源有限公司)

On April 28, 2026, the registered capital of Zhejiang Free Trade Zone Hangshi Jindi Energy Co., Ltd. decreased from RMB195,000,000 to RMB100,000,000.

Save as disclosed above, no alteration in the registered capital of our subsidiaries has taken place within the two years preceding the date of this document, and none of our subsidiaries were incorporated within two years immediately preceding the date of this document.

Resolutions of Our Shareholders

On February 6, 2026, resolutions of our Shareholders were passed pursuant to which, among other things:

(a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares to be [**REDACTED**] on the Stock Exchange;

(b) the number of H shares to be [**REDACTED**] pursuant to the [**REDACTED**] of not more than [**REDACTED**]% of our Company's total issued share capital immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, and the grant to the [**REDACTED**], [**REDACTED**] or other representatives of the [**REDACTED**] of not more than [**REDACTED**]% of the aforementioned number of H Shares [**REDACTED**], subject to market conditions;

(c) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], not more than [**REDACTED**] Shares will be converted into H Shares on a one-on-one basis;

(d) authorization of our Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**] and [**REDACTED**] of H Shares on the Stock Exchange, and the conversion of Unlisted Shares into H Share; and

(e) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**].

2. FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

Our Group has entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material to us:

(a) the [**REDACTED**].

Our Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
1. . .	热联	39	Our Company	PRC	16407976	April 27, 2036
2. . .	CIEC	39	Our Company	PRC	16407947	November 13, 2036
3. . .	CIEC	33	Our Company	PRC	16407863	April 13, 2036
4. . .	热联	6	Our Company	PRC	16407711	May 6, 2036
5. . .	热联	33	Our Company	PRC	16407917	April 13, 2036
6. . .	热联	35	Our Company	PRC	16407904	March 20, 2028
7. . .	CIEC	36	Our Company	PRC	16407920	September 27, 2027
8. . .	热联	40	Our Company	PRC	16407987	April 27, 2036
9. . .	热联	17	Our Company	PRC	16407749	April 13, 2036
10. . .	CIEC	44	Our Company	PRC	16408050	September 27, 2027
11. . .	热联	44	Our Company	PRC	16408035	April 13, 2036
12. . .	热联	5	Our Company	PRC	16407699	April 13, 2036
13. . .	热联	43	Our Company	PRC	16408036	April 13, 2036
14. . .	热联	4	Our Company	PRC	16407650	April 13, 2036

No.	Trademark	Class	Registrant	Place of registration	Registration number	Expiry date
15. . .	CIEC	35	Our Company	PRC	16407939	March 20, 2029
16. . .	热联	36	Our Company	PRC	16407957	April 13, 2036
17. . .	热联	19	Our Company	PRC	16407802	April 13, 2036
18. . .	热联	29	Our Company	PRC	16407824	April 13, 2036
19. . .	热联	30	Our Company	PRC	16407888	April 13, 2036
20. . .	热联	41	Our Company	PRC	16407989	April 27, 2036
21. . .	热联	10	Our Company	PRC	16407737	April 13, 2036
22. . .	热联	7	Our Company	PRC	16407732	April 13, 2036
23. . .	热联	32	Our Company	PRC	16407868	April 13, 2036

Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material in relation to our business:

No.	Domain name	Registrant	Expiry date
1. . . .	cgshk.com	Our Company	October 29, 2029
2. . . .	wuweiguanjia.com	Our Company	August 26, 2027
3. . . .	ciec.com	Our Company	September 29, 2032
4. . . .	ciectech.com	Our Company	August 1, 2027
5. . . .	rlciec.com	Our Company	October 26, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual or industrial property rights which we consider to be material in relation to our business.

3. DISCLOSURE OF INTERESTS

Disclosure of interests of our Directors and Chief Executive

Save as disclosed below, immediately following the completion of the [**REDACTED**], and Conversion of Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the interests and/or short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions in shares, underlying shares or debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company, once the H Shares are [**REDACTED**] on the Stock Exchange:

Interests in our Company

Name of Director, chief executive	Position	Nature of interest[(1)]	Number and Class of Shares held upon Completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares	Approximate percentage of shareholding in total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in total issued share capital of our Company immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(2)]	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(2)]
Mr. Lyu[(3)(4)]	Executive Director and president	Interest in controlled Corporation	[**REDACTED**] H Shares	95.70%	[**REDACTED**]	[**REDACTED**]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of [**REDACTED**] H Shares in issue upon [**REDACTED**] comprising (i) an aggregate of [**REDACTED**] H Shares to be converted from the Unlisted Shares and (ii) [**REDACTED**] H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (without taking into account the H Shares which may be [**REDACTED**] upon the exercise of the [**REDACTED**]).

(3) As of the Latest Practicable Date:

(i) Zhejiang Lianyu directly held 1,514,263,321 Shares of our Company;

(ii) Zhejiang Lianyu was held as to approximately (a) 31.23% by Lianshi Partnership; (b) 29.27% by Lianwu Partnership; (c) 21.07% by Lianyi Partnership; (d) 12.53% by Lianer Partnership; and (e) 5.91% by Lianshan Partnership, with Jingning Lianshang being the general partner. Jingning Lianshang was owned as to 50% by Mr. Lyu. By virtue of the SFO, Mr. Lyu is deemed to be interested in the Shares held by Zhejiang Lianyu.

(4) As of the Latest Practicable Date, Hangzhou Industrial Group directly held 1,727,601,250 Shares of our Company. Hangzhou Industrial Group and Zhejiang Lianyu have entered into the Acting in Concert Agreement. By virtue of the SFO, they are deemed to be interested in the Shares and underlying Shares held by each other.

Interest in our associated corporations

So far as our Directors are aware, immediately following the completion of the [**REDACTED**], no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

Disclosure of Interests of Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

Directors' Service Contracts and Letters of Appointment

We [have entered] into a service contract or appointment letter with each of our Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service, (b) termination provisions, and (c) dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors have entered, or have proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors' Remuneration

For details of the remuneration of Directors, see "Directors and Senior Management — Remuneration of Directors and Senior Management" and Note 9 to the Accountants' Report in Appendix I to this document.

Disclaimers

(a) None of the Directors nor any of the experts referred to in "Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the [**REDACTED**], none of the Directors nor any of the experts referred to "Qualifications and Consents of Experts" below is (i) materially interested in any contract or arrangement subsisting at the date of this document which is interested legally or beneficially in any shares in any member of the Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of our Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [**REDACTED**] or related transactions as mentioned.

(d) So far as is known to our Directors, none of our Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or our subsidiaries.

Litigation

Save as disclosed in this document and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

Sole Sponsor

The Sole Sponsor has made an [**REDACTED**] on our behalf to the [**REDACTED**] for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares in [**REDACTED**] and to be [**REDACTED**] pursuant to the [**REDACTED**] (including any additional H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]).

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of USD700,000 for acting as a sponsor for the [**REDACTED**].

No Material Adverse Change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since May 31, 2026, being the end of the period reported on in the Accountants' Report set out in Appendix I to this document.

Qualifications and Consents of Experts

This document contains statements made by the following experts:

Name of Expert	Qualifications
Chen & Lee Law Office	Legal advisor as to Hong Kong law
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Commerce & Finance Law Offices	Legal advisor as to PRC laws
Drew & Napier LLC	Legal advisor as to Singapore law
Ernst & Young	Certified public accountants and public interest entity auditor
Ernst & Young (China) Advisory Limited	Transfer Pricing Consultant
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

Name of Expert	Qualifications
Hogan Lovells Cadwalader International LLP	Legal advisor as to international sanctions laws and U.S. Outbound Investment Rules

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The experts named above have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case maybe) and references to their names included in the form and context in which they are respectively included.

Compliance Advisor

We have appointed Red Sun Capital Limited as our Compliance Advisor upon the [**REDACTED**] in compliance with Rule 3A.19 of the Listing Rules.

Promoters

Information of our promoters as of the time of our Company's conversion into a joint stock limited company on May 11, 2009 is as follows:

Name of Shareholder	Number of Shares held upon our conversion	Shareholding parentage upon our conversion
		(Approximately)
Hangzhou Steam Turbine Holdings	51,000,000	51%
Nie Zhonghai (聶忠海)	10,000,000	10%
Jiang Yuanqing (蔣元慶)	9,500,000	9.50%
Jiang Yuanshun (蔣元順)	7,500,000	7.50%
Yuan Wenjiong (袁文炯)	2,500,000	2.50%
He Xiuhui (何秀惠)	2,000,000	2%
Yan Hao (晏浩)	2,000,000	2%
Zhang Luyong (張鋁勇)	2,000,000	2%
Hu Hao (胡浩)	2,000,000	2%
Hu Keping (胡克平)	1,000,000	1%
Zhou Xinjiang (周新江)	1,000,000	1%
Chen Jin (陳瑾)	1,000,000	1%
Zhou Xi (周襲)	1,000,000	1%
Zhou Jianshan (周建山)	1,000,000	1%
Xu Jianyu (徐建裕)	1,000,000	1%

Name of Shareholder	Number of Shares held upon our conversion	Shareholding parentage upon our conversion
		(Approximately)
Li Fenghua (李豐華)	1,000,000	1%
Dai Xiaodong (戴曉東)	1,000,000	1%
Lyu Yonghong (呂永洪)	500,000	0.50%
Li Yi (厲益)	500,000	0.50%
Shen Boren (沈柏仁)	500,000	0.50%
Jiang Rizhong (蔣日忠)	500,000	0.50%
Zhou Nan (周南)	500,000	0.50%
Tang Guoyin (唐國寅)	500,000	0.50%
Wang Xiaoyu (王曉禹)	500,000	0.50%
Total	100,000,000	100%

Note: Save for Mr. Nie Zhonghai, Mr. Jiang Yuanqing, Mr. Jiang Yuanshun (each a then director of our Company) and Mr. Hu Hao (a then supervisor of our Company), each of the other 19 individual Shareholders was then an Independent Third Party. For details, see "History, Development and Corporate Structure — Major Corporate Developments and Shareholding Changes — Conversion into a Joint Stock Company with Limited Liability in 2009" in this document. Mr. Lyu is currently our executive Director.

Within the two years immediately preceding the date of this document, no cash, securities, amount or other benefit has been paid, allotted or given nor has been proposed to be paid, allotted or given to any of the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

Preliminary Expenses

We have not incurred any material preliminary expenses.

Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for, or the market value of, the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

Binding Effect

This document shall have the effect, where an [**REDACTED**] is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in "— 4. Other Information — Qualifications and Consents of Experts" in this section have received any such payment or benefit;

(ii) no capital of any member of our Group has been issued or is proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;

(iii) none of our Directors or the experts named in "— 4. Other Information — Qualifications and Consents of Experts" in this section have any interest, direct or indirect, in the promotion of, or in any assets which have been, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and

(iv) no commissions (but not including commissions to [**REDACTED**]) have been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or debentures of our Company.

(b) Save as disclosed in this document:

(i) there is no arrangement under which future dividends are waived or agreed to be waived;

(ii) our Company has no outstanding convertible debt securities or debentures;

(iii) there are no founder, management or deferred shares in our Company or any of our subsidiaries;

(iv) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;

(v) there has not been any interruption in the business of our Group which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this document; and

(vi) none of our Directors are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — Summary of Material Contracts"; and

(b) the written consents referred to in the section headed "Statutory and General Information — 3. Disclosure of Interests — Directors' Service Contracts and Letters of Appointment".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **http://www.ciec.com/** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set forth in Appendix I to this document;

(c) the audited consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025, and the five months ended May 31, 2026;

(d) the report prepared by Ernst & Young on the unaudited [**REDACTED**] financial information, the text of which is set forth in Appendix II to this document;

(e) the legal opinion from Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC laws;

(f) the legal opinion from Chen & Lee Law Office, our legal advisor as to Hong Kong law, in respect of certain general corporate matters under Hong Kong law;

(g) the legal opinion from Drew & Napier LLC, our legal advisor as to Singapore law, in respect of certain general corporate matters under Singapore law;

(h) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this document;

(i) the report issued by Ernst & Young (China) Advisory Limited in respect of the transfer pricing arrangement;

(j) the memorandum issued by Hogan Lovells Cadwalader International LLP, our International Sanctions Legal Advisor, in respect of international sanctions laws and the U.S. Outbound Investment Rules;

(k) a copy of the PRC Company Law, the PRC Securities Law and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with their respective unofficial English translations thereof;

(l) the service contracts referred to in "Statutory and General Information — 3. Disclosure of Interests — Directors' Service Contracts and Letters of Appointment";

(m) the material contracts referred to in "Appendix VI — Statutory and General Information — 2. Further Information About Our Business — Summary of Material Contracts"; and

(n) the written consents referred to in "Appendix VI — Statutory and General Information — 4. Other Information — Qualifications and Consents of Experts".