

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document 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 out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a global provider of copper-based products, delivering advanced thermal management and conductive materials that empower customers worldwide to achieve enhanced energy efficiency. Our products primarily include copper tubes, copper rods, copper busbars and copper fittings used in heating, ventilation and air conditioning (HVAC) systems and industrial applications to transfer heat, distribute electricity and carry fluids; ultra-thin copper foils serving as the conductive layers within lithium-ion batteries and the base layer of printed circuit boards (PCB); and copper-based heat dissipation modules and liquid cooling components that disperse heat generated by high-performance servers and processors in AI data centers (AIDC) and other AI applications. We have international footprint and extensive production scale, with 23 production bases spanning across Asia, Europe, North America and Africa as of May 31, 2026, serving a global customer base.

The following table sets forth our principal achievements.

<p>Market position </p> <p>Global No. 1 in 2025 for copper-processed products for HVAC and industrial applications in 2025 by shipment volume¹</p> <p>Global No. 1 for 6 consecutive years for copper tubes by shipment volume²</p> <p>Over one million tons shipment volume of copper-based products in 2025</p>	<p>Globalized sales </p> <p>100+ countries and regions covered³</p> <p>37.5% contribution of revenue generated overseas in 2025</p> <p>18.0% global market share of copper-processed products for HVAC and industrial applications in 2025</p>	<p>Globalized production </p> <p>23/12 global/overseas production bases³</p> <p>First Chinese copper supplier to build a copper foil production base overseas⁴</p>
<p>Technological advancements </p> <p>Established production of 3.5μm copper foils⁴</p> <p>Solid-state battery copper foil ready for mass production and delivery</p> <p>Proactive development in thermal management products for AIDC</p>	<p>Standards formulation </p> <p>Only nonferrous metal Processing enterprise honored with the China Grand Award for Industry⁴</p> <p>80%+ led the drafting of more than 80% of national and industry standards for copper tubing⁴</p>	<p>Financial indicators </p> <p>RMB83.3 bn 2025 revenue</p> <p>+102.5% year-on-year growth in revenue from lithium battery and PCB copper foils in 2025</p> <p>+61.9% year-on-year growth in net profit in 2025</p>

Notes:

1. According to Frost & Sullivan.
2. According to Frost & Sullivan, from 2020 to 2025.
3. As of May 31, 2026.
4. According to Frost & Sullivan.

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OUR STRENGTHS

We believe the following strengths have driven our success: (i) diverse copper-based products and technological expertise; (ii) global presence and localized operation; (iii) leading R&D system and continuous technological development; (iv) integrated risk management and robust cost control; and (v) young and professional management team.

OUR STRATEGIES

We have formulated the following strategies: (i) deepening global footprint with localized operations; (ii) continuous R&D to diversify product offerings; (iii) digital and intelligent transformation; (iv) adhering to ESG principles; and (v) strengthening talent development.

OUR PRODUCTS

Our offerings include (i) copper-processed products for HVAC and industrial applications, (ii) copper foils for lithium batteries and printed circuit boards (PCBs), (iii) copper-processed products for AI applications, and (iv) aluminum-based products and others. We also generate revenue from copper trading activities, which is complementary to our integrated supply chain management and facilitates the inventory turnover.

The following table sets forth the revenue, sales volume and average selling price of our copper-based products by business line for the years/period indicated:

		Year ended December 31,			Five months ended May 31,	
		2023	2024	2025	2025	2026
Copper-processed products for HVAC and industrial applications.	Revenue (RMB in thousand)	47,851,227	58,698,613	60,083,728	26,409,103	32,056,894
	Sales Volume (thousand tons)	839.9	966.1	918.1 ⁽¹⁾	416.6	405.9
	Average Selling Price (RMB in thousand/ton)	57.0	60.8	65.4	63.4	79.0
Copper foils for lithium battery and PCBs ⁽²⁾	Revenue (RMB in thousand)	734,826	2,860,675	5,792,089	1,836,891	3,909,615
	Sales Volume (thousand tons)	11.0	36.8	67.6	22.0	37.8
	Average Selling Price (RMB in thousand/ton)	66.7	77.7	85.7	83.5	103.4
Copper-processed products for AI applications.	Revenue (RMB in thousand)	125,996	235,926	591,797	147,075	307,846
	Sales Volume (thousand tons)	1.9	3.2	7.3	2.0	3.3
	Average Selling Price (RMB in thousand/ton)	67.3	73.9	80.8	73.5	93.3

Notes:

- (1) The sales volume of copper-processed products for HVAC and industrial application decreased from 966.1 thousand tons in 2024 to 918.1 thousand tons in 2025, primarily due to our shifting strategic focus to emerging applications, such as copper foils and copper-processed products for AI applications, and the changes in the global macroeconomic condition resulting in decreased market demand.
- (2) The average selling price of copper foils for lithium battery and PCBs increased from RMB66.7 thousand per ton in 2023 to RMB77.7 thousand per ton in 2024, and the average selling price increased to RMB85.7 thousand per ton in 2025, and the average selling price of the same product increased from RMB83.5 thousand per ton in the five months ended May 31, 2025 to RMB103.4 thousand per ton in the same period in 2026 primarily due to (i) the rise in the market price of copper, our principal raw material, and (ii) upward adjustments to our pricing in response to robust market demand for our products.

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The following table sets forth the revenue, sales volume and average selling price of our products by geographic locations:

		Year ended December 31,			Five months ended May 31,	
		2023	2024	2025	2025	2026
China	Revenue (<i>RMB in thousand</i>)	47,479,068	54,997,598	51,973,184	21,786,590	26,713,717
	Sales Volume	945.1	1,019.7	953.6	403.5	348.1
	(<i>thousand tons</i>)					
	Average Selling Price (<i>RMB in thousand/ton</i>)	50.2	53.9	54.5	54.0	76.8
Overseas ⁽¹⁾	Revenue (<i>RMB in thousand</i>)	28,057,953	32,357,921	31,189,131	12,968,656	13,702,446
	Sales Volume	479.2	547.6	473.2	204.9	176.9
	(<i>thousand tons</i>)					
	Average Selling Price (<i>RMB in thousand/ton</i>)	58.6	59.1	65.9	63.3	77.5

Note:

(1) Overseas market primarily include Asia (excluding China), Europe, the Americas and Africa.

RESEARCH AND DEVELOPMENT

We are committed to driving technological development and R&D excellence. As of May 31, 2026, we held a total of 951 patents, including 198 invention patents. We have established a comprehensive framework centered on our research institutes in Zhejiang and Gansu. Our R&D team comprises experienced professionals with extensive academic and professional backgrounds in non-ferrous metal processing, chemistry, material science and metallurgy. As of May 31, 2026, our R&D team consisted of 1,043 professionals, including R&D staffs and technical personnel.

OUR PRODUCTION

As of May 31, 2026, we had 11 production bases in China. In overseas markets, we had 12 production bases across Asia, Europe, North America and Africa. We adopt a “sales-driven production” approach where we initiate production capacity allocation and scheduling upon receipt of confirmed sales orders, thereby minimizing inventory risks and ensuring efficient resource utilization. We have deployed digital systems across production bases for real-time monitoring and management, alongside automotive equipment that optimizes production efficiency.

IMPACT OF FLUCTUATIONS IN COPPER PRICES

Copper cathode is the principal raw material of our products, and our raw material costs, which primarily consisted of costs of copper materials, accounted for 96.5%, 96.0%, 95.2%, 94.9% and 95.3% of our total cost of revenue in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Between 2020 and 2025, the average price of LME copper cathode rose from USD6,167 per tonne to USD9,939 per tonne, while the average price of the SHFE copper cathode rose from RMB48,238 per tonne to RMB79,859 per tonne, representing a CAGR of 10.0% and 10.6%, respectively. During the Track Record Period, our revenue and cost of sales generally moved in line with copper prices, as the selling price of each customer order comprises a raw material cost component referenced to prevailing benchmark copper prices and a processing fee determined independently of copper price fluctuations. Higher copper prices tended to dilute our gross profit margin by enlarging our revenue base, although changes in our gross profit and gross profit margin were primarily attributable to changes in customer mix and product mix, and rising copper prices also increased our working capital requirements.

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We manage our exposure to copper price volatility through the cost pass-through structurally embedded in our pricing mechanism; our centralized hedging arrangements under which we match our physical net copper positions against copper futures traded in the PRC market and the LME, covering approximately 90% of our net copper exposure measured at each month-end or quarter-end during the Track Record Period; and our dynamic inventory management supported by multiple suppliers for each category of key raw materials. These measures proved effective during the Track Record Period: our gross profit per unit on copper-processed product sales did not fluctuate materially with copper price movements, and we did not experience any material procurement difficulty arising from copper price fluctuations.

SALES, MARKETING AND CUSTOMER SERVICE

As of the Latest Practicable Date, we had cultivated robust long-term relationships with approximately 10,000 customers over 100 countries and regions. The table below sets forth our revenue from sales of goods by geographic regions during the Track Record Period:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>									
Chinese Mainland	47,479,068	62.9	54,997,598	63.0	51,973,184	62.4	21,786,590	62.7	26,713,717	66.1
United States	2,457,426	3.3	3,413,560	3.9	5,076,383	6.1	1,790,458	5.2	2,997,377	7.4
Hong Kong	2,559,771	3.4	5,345,151	6.1	3,992,312	4.8	1,189,014	3.4	335,585	0.8
India	2,605,185	3.4	3,724,740	4.3	3,607,752	4.3	2,262,092	6.5	1,311,705	3.2
Thailand	2,620,505	3.4	2,223,347	2.5	2,378,729	2.9	1,050,723	3.0	1,232,553	3.0
Germany	1,864,258	2.5	1,825,645	2.1	1,803,281	2.2	763,033	2.2	942,796	2.3
Italy	1,247,433	1.6	1,478,998	1.7	1,708,809	2.1	780,253	2.2	881,556	2.2
Singapore	5,203,887	6.9	3,608,853	4.1	920,079	1.1	258,236	0.7	117,959	0.3
Others	9,499,488	12.6	10,737,627	12.3	11,701,786	14.1	4,874,847	14.1	5,882,915	14.7
Total	75,537,021	100.0	87,355,519	100.0	83,162,315	100.0	34,755,246	100.0	40,416,163	100.0

We primarily employ a direct sales model for both our domestic and overseas markets, which enables us to engage directly with customers, thereby gaining in-depth insights into their specific requirements, preferences and evolving needs. As of May 31, 2026, we have served leading industry players Midea, Gree, Haier, Hisense, Daikin and CATL, reflecting our proven reliability and ability to build enduring relationships with top-tier customers. We also collaborate with distributors to complement our market coverage and extend our presence across various regions. Our revenue attributable to distributorship accounted for 2.3%, 2.1%, 2.5%, 1.8% and 1.7% in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

OUR CUSTOMERS

We primarily sell our copper-based products to major home appliance companies, cooling system manufacturers, lithium battery manufacturers, PCB manufacturers and copper trade companies. Revenue from our five largest customers amounted to RMB13,162.9 million, RMB13,533.8 million, RMB12,101.2 million and RMB6,683.2 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, representing 17.3%, 15.5%, 14.5% and 16.4% of our total revenue for the same respective periods. Revenue from our largest customer accounted for 4.7%, 7.4%, 5.3% and 7.3% of our total revenue in 2023, 2024, 2025 and the five months ended May 31, 2026. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

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OUR SUPPLIERS

During the Track Record Period, we primarily procured copper and zinc materials. Purchases from our five largest suppliers amounted to RMB22,482.2 million, RMB21,621.8 million, RMB21,223.8 million and RMB8,821.9 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, representing 30.9%, 25.1%, 26.2% and 21.5% of our total purchases for the same respective periods. Purchases from our largest supplier accounted for 14.1%, 11.0%, 9.0% and 6.0% of our total purchases in 2023, 2024, 2025 and the five months ended May 31, 2026. None of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest suppliers in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

COMPETITION

We operate in several sectors of the highly competitive copper-based materials industry, including copper processed products for HVAC and industrial applications, copper foils for lithium batteries and PCBs, and copper-processed products for AI applications. These sectors are defined by rigorous technical standards and evolving customer demands that arise from downstream industry applications. Industry players compete on various fronts, primarily technological development, scale advantages and supply chain integration, to enhance their competitiveness.

According to Frost & Sullivan, in 2025, the market size of copper-processed products in HVAC and industrial applications by shipment globally reached approximately 5,105.0 thousand tonnes, with the top five suppliers accounting for a combined market share of 59.6%, indicating a relatively concentrated market. The same year, the market size of global copper foils for lithium batteries industry by shipment volume reached approximately 1,468.0 thousand tonnes, with the top five global lithium battery copper foil suppliers collectively accounting for 31.9% of the market, indicating a relatively fragmented market. In the meantime, the global market size of copper-processed products for AIDC was approximately 418.0 thousand tonnes in 2025. Driven by accelerated capital investment in AI computing and deeper penetration of liquid cooling technologies, the market size is expected to reach 2,568.0 thousand tonnes by 2030, with a CAGR of approximately 43.8%.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of historical financial information for the years/periods or as of the dates indicated. Our historical financial information was prepared in accordance with IFRS Accounting Standards.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Consolidated statements of profit or loss

	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Revenue	75,733,576	87,542,137	83,306,698	34,820,271	40,469,688
Cost of revenue	(72,641,532)	(84,638,920)	(80,172,127)	(33,484,694)	(38,707,481)
Gross profit	3,092,044	2,903,217	3,134,571	1,335,577	1,762,207
General and administrative expenses	(945,940)	(1,209,073)	(1,262,480)	(547,688)	(691,781)
Selling and marketing expenses	(210,236)	(241,014)	(283,476)	(120,200)	(125,810)

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	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Research and development expenses	(183,556)	(140,255)	(145,218)	(54,400)	(67,249)
Net impairment credit/(losses) on financial assets	8,331	(77,730)	(31,021)	(26,902)	(51,907)
Other income	306,701	299,866	320,455	89,189	137,550
Other (losses)/gains, net	(267,958)	(281,529)	97,017	30,159	58,159
Operating profit	1,799,386	1,253,482	1,829,848	705,735	1,021,169
Finance income	33,073	22,470	31,511	11,076	6,059
Finance costs	(567,792)	(717,837)	(711,954)	(296,269)	(311,977)
Finance costs, net	<u>(534,719)</u>	<u>(695,367)</u>	<u>(680,443)</u>	<u>(285,193)</u>	<u>(305,918)</u>
Share of profit of investments accounted for using the equity method	117,071	112,944	91,658	33,564	32,465
Profit before income tax	1,381,738	671,059	1,241,063	454,106	747,716
Income tax expense	(212,276)	(47,149)	(231,094)	(79,967)	(192,816)
Profit for the year/period	1,169,462	623,910	1,009,969	374,139	554,900
Attributable to:					
– Owners of the Company	1,125,549	715,816	961,639	398,054	405,275
– Non-controlling interests	43,913	(91,906)	48,330	(23,915)	149,625
	1,169,462	623,910	1,009,969	374,139	554,900
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)					
Basic	0.57	0.36	0.48	0.21	0.18
Diluted	0.52	0.36	0.47	0.20	0.18

Revenue

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i> <i>(Unaudited)</i>	%	<i>RMB'000</i>	%
Sale of goods	75,537,021	99.7	87,355,519	99.8	83,162,315	99.8	34,755,246	99.8	40,416,163	99.9
Other revenue ⁽¹⁾	196,555	0.3	186,618	0.2	144,383	0.2	65,025	0.2	53,525	0.1
Total	75,733,576	100.0	87,542,137	100.0	83,306,698	100.0	34,820,271	100.0	40,469,688	100.0

Note (1): Other revenue represents interest income generated from a subsidiary of our Group and lease income for the corresponding periods.

SUMMARY

Revenue from Sales of Goods by Business Line

The following table sets out the breakdown of our revenue from sales of goods by business line in absolute amount and as percentage of our revenue from sales of goods for the years/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)			
Sale of goods										
Copper-processed products for HVAC and industrial applications . . .	47,851,227	63.3	58,698,613	67.1	60,083,728	72.3	26,409,103	76.0	32,056,894	79.2
Copper foils for lithium batteries and PCBs	734,826	1.0	2,860,675	3.3	5,792,089	7.0	1,836,891	5.3	3,909,615	9.7
Copper-processed products for AI applications . . .	125,996	0.2	235,926	0.3	591,797	0.7	147,075	0.4	307,846	0.8
Copper trade activities	26,464,685	35.0	25,133,293	28.8	16,253,923	19.5	6,227,003	17.9	3,990,472	9.9
Others ⁽¹⁾	360,287	0.5	427,012	0.5	440,778	0.5	135,174	0.4	151,336	0.4
Total	75,537,021	100.0	87,355,519	100.0	83,162,315	100.0	34,755,246	100.0	40,416,163	100.0

Note (1): Others primarily represents revenue from environmental material catalyst products and aluminum-based products.

Gross Profit and Gross Profit Margin

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
							(Unaudited)			
Sales of goods . . .	2,929,802	3.9	2,804,786	3.2	3,055,836	3.7	1,283,072	3.7	1,751,641	4.3
Other revenue	184,171	93.7	170,230	91.2	127,727	88.5	57,595	88.6	43,042	80.4
Impairment losses ⁽¹⁾ .	(21,929)	(N/A)	(71,799)	(N/A)	(48,992)	(N/A)	(5,090)	(N/A)	(32,476)	(N/A)
Total	3,092,044	4.1	2,903,217	3.3	3,134,571	3.8	1,335,577	3.8	1,762,207	4.4

Note (1): Impairment losses primarily comprises goodwill impairment, impairment losses on inventory, and impairment losses on property, plant and equipment.

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Gross Profit and Gross Profit Margin from Sales of Goods by Business Line

The following table sets out a breakdown of our gross profit and gross profit margin from sales of goods by business line for the years/periods indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000 (Unaudited)	(%)	RMB'000	(%)
Copper-processed products for HVAC and industrial applications	2,801,851	5.9	2,739,322	4.7	2,561,603	4.3	1,220,755	4.6	1,352,864	4.2
Copper foils for lithium batteries and PCBs	(177,760)	(24.2)	(185,715)	(6.5)	215,133	3.7	(8,982)	(0.5)	314,503	8.0
Copper-processed products for AI applications	13,408	10.6	26,140	11.1	79,951	13.5	17,673	12.0	38,477	12.5
Copper trade activities	241,879	0.9	176,973	0.7	159,815	1.0	44,104	0.7	27,492	0.7
Others	50,424	14.0	48,066	11.3	39,333	8.9	9,522	7.0	18,305	12.1
Total for Sales of Goods	2,929,802	3.9	2,804,786	3.2	3,055,836	3.7	1,283,072	3.7	1,751,641	4.3

Gross Profit and Gross Profit Margin by Geographic Locations

The following table sets out a breakdown of our gross profit and gross profit margin from sales of goods by geographic locations for the years/periods indicated.

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000 (Unaudited)	(%)	RMB'000	(%)
China	1,527,266	3.2	1,371,390	2.5	1,263,967	2.4	519,083	2.4	807,685	3.0
Overseas ⁽¹⁾	1,402,536	5.0	1,433,396	4.4	1,791,869	5.7	763,989	5.9	943,955	6.9
Total	2,929,802	3.9	2,804,786	3.2	3,055,836	3.7	1,283,072	3.7	1,751,641	4.3

Note:

(1) Overseas market primarily include Asia (excluding China), Europe, the Americas and Africa.

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Profit for the Year/Period

Our profit for the year decreased from RMB1,169.5 million in 2023 to RMB623.9 million in 2024, primarily attributable to (i) an increase in general and administrative expenses from RMB945.9 million in 2023 to RMB1,209.1 million in 2024 driven by an increase in employee benefits and office expenses associated with the commencement of operations at new overseas sites, as well as increased professional service fees for advisory services; (ii) a decrease in our gross profit from RMB3,092.0 million in 2023 to RMB2,903.2 million in 2024, mainly driven by an increase in raw material price, together with adjustments to selling prices to maintain market presence as customer mix changes; and (iii) an increase in our net finance costs from RMB534.7 million in 2023 to RMB695.4 million in 2024, resulting from lower capitalized interest on projects funded by convertible bonds as most such projects were completed and transferred to fixed assets by the end of 2023. The decrease was partially offset by a reduction in income tax expenses from RMB212.3 million in 2023 to RMB47.1 million in 2024, primarily due to lower profits at certain subsidiaries and increased profit contributions from subsidiaries entitled to preferential tax treatments.

Our profit of the year increased from RMB623.9 million in 2024 to RMB1,010.0 million in 2025, primarily attributable to (i) an increase in our gross profit from RMB2,903.2 million in 2024 to RMB3,134.6 million in 2025 following the expanded production leading to economies of scale, higher yield and production efficiency, optimized product mix, and continued penetration into higher-margin markets and (ii) other losses of RMB281.5 million in 2024 turned into other gains of RMB97.0 million in 2025, mainly driven by a decreased losses on disposal of trade receivables due to lower discount rates, net foreign exchange gains amid exchange rate fluctuations, and reduced net losses on disposal of financial instruments partially offset by fair value losses on derivative financial instruments under our foreign exchange hedging strategies. The increase was partially offset by an increase in income tax expenses from RMB47.1 million in 2024 to RMB231.1 million in 2025, primarily due to the expiry of certain tax-preferential policies for some subsidiaries and the recognition of deferred tax assets on deductible tax losses of certain subsidiaries.

Our profit for the period increased from RMB374.1 million in the five months ended May 31, 2025 to RMB554.9 million in the five months ended May 31, 2026, primarily attributable to an increase in our gross profit of RMB1,335.6 million in the five months ended May 31, 2025 to RMB1,762.2 million in the same period in 2026, as our continued R&D and product development efforts enabled us to address customers’ evolving technical requirements, optimize our product mix and capture a pricing premium for certain products, together with the continued ramp-up of production, which enhanced economies of scale and improved product yield and production efficiency. This increase was partially offset by an increase in general and administrative expenses of RMB547.7 million in the five months ended May 31, 2025 to RMB691.8 million in the same period in 2026, primarily attributable to an increase in employee benefits expenses, mainly reflecting statutory entitlements in connection with the workforce optimization of our EU subsidiaries, continued recruitment and enhanced compensation packages to support newly established and expanded production facilities, as well as increased office expenses and taxes and surcharges associated with digitalization initiatives and the growth of our export business.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	15,972,278	16,722,780	16,243,843	16,078,657
Total current assets	24,432,821	27,756,743	31,884,357	36,843,849
Total assets	40,405,099	44,479,523	48,128,200	52,922,506
Total non-current liabilities . .	8,798,313	5,497,312	7,413,290	7,530,435

SUMMARY

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total current liabilities	14,768,075	22,034,605	21,307,102	26,014,549
Total liabilities	23,566,388	27,531,917	28,720,392	33,544,984
Net current assets	9,664,745	5,722,138	10,577,255	10,829,300
Net asset	16,838,711	16,947,606	19,407,808	19,377,522
Non-controlling interests	2,761,218	2,581,222	2,592,563	2,713,224

Our net assets remained relatively stable at RMB16,838.7 million as at December 31, 2023 and RMB16,947.6 million as at December 31, 2024, primarily attributable to (i) our profit of RMB623.9 million in 2024, (ii) other comprehensive income of RMB166.3 million, (iii) declaration of dividends of RMB427.8 million, and (iv) repurchase of ordinary shares of RMB253.5 million. Our net assets increased from RMB16,947.6 million as at December 31, 2024 to RMB19,407.8 million as at December 31, 2025, primarily attributable to (i) our profit of RMB1,010.0 million in 2025, (ii) conversion of convertible bonds of RMB2,694.1 million. The increase was partially offset by (i) declaration of dividends of RMB602.5 million, and (ii) repurchase of ordinary shares of RMB496.6 million. Our net assets remained relatively stable at RMB19,407.8 million as at December 31, 2025 and RMB19,377.5 million as of May 31, 2026.

Our net current assets decreased by 40.8% from RMB9,664.7 million as of December 31, 2023 to RMB5,722.1 million as of December 31, 2024, primarily attributable to (i) an increase in current borrowings; and (ii) a decrease in cash and cash equivalents. This decrease was partially offset by (i) an increase in trade and notes receivables following (a) the strong growth in downstream home appliance demand, and (b) the increased sales to certain customers whose prevailing market practices typically involve an extended credit terms, in conjunction with the rising copper price in the same period; and (ii) an increase in inventories following the commencement and ramp-up of certain production bases, as well as the rising copper price in the same period.

Our net current assets increased by 84.8% from RMB5,722.1 million as of December 31, 2024 to RMB10,577.3 million as of December 31, 2025, primarily attributable to (i) an increase in trade and notes receivables, primarily attributable to an increase in trade receivables mainly driven by an increase in sales volume of certain products such as copper foils products, coupled with higher copper price during the period which resulted in higher receivable balances, (ii) an increase in inventories driven by the (a) ramp-up of certain production sites, and (b) increased sales to certain customers whose prevailing market practice typically involve an extended revenue recognition cycle, as well as rise in international delivery volumes with extended logistical lead time, which was further supported by the increase in copper price that elevated the value of inventories, and (iii) a decrease in borrowings, primarily attributable to the conversion of Convertible Bonds which resulted in a corresponding reduction in bonds payables during the period. See Note 29(d) of Appendix I to this document.

Our net current assets remained relatively stable at RMB10,577.3 million as of December 31, 2025 and RMB10,829.3 million as of May 31, 2026.

See “Financial Information — Liquidity and Capital Resources — Net Current Assets.”

SUMMARY

Summary of Consolidated Cash Flow Statements

	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 used in operating activities	(853,564)	(2,353,877)	(1,792,162)	(2,838,168)	(6,146,850)
Net cash (used in)/generated from investing activities . .	(2,378,448)	(1,039,866)	(588,125)	9,208	(265,664)
Net cash generated from financing activities	5,742,069	2,397,560	1,569,728	3,048,758	5,748,110
Net increase/(decrease) in cash and cash equivalents .	2,510,057	(996,183)	(810,559)	219,798	(664,404)
Cash and cash equivalents at the end of each period . .	5,103,349	4,010,530	3,435,887	4,258,016	2,738,811

In the five months ended May 31, 2026, our net cash used in operating activities was RMB6,146.9 million, which was primarily attributable to our profit before income tax of RMB747.7 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising (a) depreciation and amortization of non-current assets of RMB410.8 million, and (b) finance costs of RMB312.0 million, partially offset by (c) fair value gains on financial assets of RMB106.3 million, and (d) gains on disposal of financial assets and liabilities of RMB91.6 million, and (ii) changes in working capital, which primarily comprised of (a) increase in inventories of RMB3,127.9 million, and (b) increase in receivables of RMB3,475.4 million.

In 2025, our net cash used in operating activities was RMB1,792.2 million, which was primarily attributable to our profit before income tax of RMB1,241.1 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising (a) depreciation and amortization of non-current assets of RMB952.6 million, and (b) finance costs of RMB712.0 million, partially offset by (c) foreign exchange gains other than those related to loans of RMB297.8 million, and (d) interest income of RMB131.2 million, and (ii) changes in working capital, which primarily comprised of (a) increase in inventories of RMB3,078.9 million, and (b) increase in receivables of RMB1,838.0 million.

In 2024, our net cash used in operating activities was RMB2,353.9 million, which was primarily attributed to our profit before income tax of RMB671.1 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising (a) depreciation and amortization of non-current assets of RMB844.1 million and (b) finance costs of RMB717.8 million, partially offset by (c) equity method investment income of RMB112.9 million and (d) interest income of RMB133.9 million; and (ii) changes in working capital, which primarily comprised of (a) increase in receivables of RMB2,596.7 million and (b) increase in inventories of RMB1,689.2 million.

In 2023, our net cash used in operating activities was RMB853.6 million, which was primarily attributed to our profit before income tax of RMB1,381.7 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising (a) finance costs of RMB567.8 million and (b) depreciation and amortization of non-current assets of RMB557.2 million, partially offset by (c) interest income of RMB197.9 million, and (d) equity method investment income of RMB117.1 million; and (ii) changes in working capital, which primarily comprised of (a) decrease in payables of RMB1,778.4 million and (b) increase in receivables of RMB1,117.9 million.

RISK FACTORS

Some of the major risks we face include: (i) the downturns and changes in our downstream markets; (ii) our failure to maintain competitiveness; (iii) failed R&D efforts; (iv) supply chain disruptions and volatility; (v) failure to effectively use our production bases; and (vi) failure to implement production expansion plans.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Feng Hailiang (being the father of Mr. Feng) was interested in approximately 30.11% of our total issued share capital, comprising (1) 2.61% directly held by Mr. Feng Hailiang, (2) 26.96% held by Hai Liang Group, and (3) 0.54% held by Zhejiang Zhengmao. Both Hai Liang Group and Zhejiang Zhengmao are ultimately controlled by Mr. Feng Hailiang. Excluding 10,000,000 A Shares repurchased and held in the Company's stock repurchase

SUMMARY

account as treasury shares as of the Latest Practicable Date, Mr. Feng Hailiang controlled approximately 30.24% of our voting rights. See “History, Development and Corporate Structure – Corporate Structure” in this document for details.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Feng Hailiang will, directly and indirectly through Hai Liang Group and Zhejiang Zhengmao, continue to be interested in aggregate approximately [REDACTED]% of our total share capital and will be entitled to exercise voting rights attaching to approximately [REDACTED]% of our total issued share capital (excluding the 10,000,000 A Shares repurchased by the Company and held as treasury shares in its share repurchase account as of the Latest Practicable Date) and will be our Single Largest Group of Shareholders.

See “Relationship with Our Single Largest Group of Shareholders — Our Single Largest Group of Shareholders”

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the stated range of the [REDACTED] of between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED]. We intend to use the net [REDACTED] we expect to receive from the [REDACTED] for the purposes and in the amounts set out below: (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to advance the construction and expansion of our production bases in Morocco and Indonesia; (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to enhance our R&D in frontier copper-based products and strengthen our intelligent manufacturing capabilities; (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to pursue strategic investment, merger and acquisition opportunities; (iv) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated for our international branding strategy and market promotion; and (v) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated for working capital and general corporate purposes.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2026, being the end date of the periods reported in Appendix I to this document, and there is no event since May 31, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

RECENT DEVELOPMENT

Since May 31, 2026, we have continued to record growth across our core product lines and have made meaningful progress in product development. Our high-strength micro-alloy copper tubes, newly developed in 2025, were formally adopted for mass production by a leading air conditioning enterprise. Our high-efficiency finned tubes, serving commercial and industrial refrigeration, chemical, power, and data center cooling applications, have obtained certifications from key industry customers. Our HVLP copper foil has achieved full mass production capability, with core applications in AI server high-speed switches and advanced packaging. For the five months ended May 31, 2026, the sales volumes of our copper-processed products for HVAC and industrial applications, copper foils for lithium batteries and PCBs and copper-processed products for AI applications amounted to approximately 405.9 thousand tonnes, 37.8 thousand tonnes and 3.3 thousand tonnes, respectively. In the same period, the average selling prices of our copper-processed products for HVAC and industrial applications, copper foils for lithium batteries and PCBs, copper-processed products for AI applications were RMB79.0 thousand per tonne, RMB103.4 thousand per tonne and RMB93.3 thousand per tonne, respectively. In particular, the sales volumes of our copper-processed products for HVAC and industrial applications increased by 19.8% to 486.4 thousand tonnes in the six months ended June 30, 2026 as compared with the five months ended May 31, 2026; the sales volumes of our copper foils for lithium batteries and PCBs increased by 20.9% to 45.7 thousand tonnes in the same period; and the sales volumes of our copper-processed products for AI applications increased by 15.2% to 3.8 thousand tonnes in the same period. In June 2026, the average selling price of our copper-processed products for HVAC and industrial applications increased by 6.8% from RMB79.0 thousand per tonne in the five months ended May 31, 2026 to RMB84.4 thousand per tonne, primarily reflecting a higher copper price during the period. The average selling price of our copper foils for lithium batteries and PCBs remained relatively stable at RMB103.4 thousand per tonne in the five months ended May 31, 2026

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and RMB107.1 thousand per tonne in June 2026, and the average selling price of our copper-processed products for AI applications remained relatively stable at RMB93.3 thousand per tonne in the five months ended May 31, 2026 and RMB89.7 thousand per tonne in June 2026. During the Track Record Period and up to the Latest Practicable Date, the regulatory and market environments of copper-based materials industry had not changed materially.

Subsequent to the Track Record Period and up to the Latest Practicable Date, copper prices continued to fluctuate within a relatively narrow range while generally remaining at an elevated level. Copper prices in the PRC market during the period from May 21, 2026 to August 11, 2026 range from approximately RMB101,160 to RMB108,790 per tonne, with an average price of approximately RMB104,898 per tonne. Copper prices of LME range from approximately RMB89,644 to RMB96,805 per tonne, with an average price of approximately RMB92,848 per tonne. Such fluctuations were primarily attributable to changes in global macroeconomic condition, market expectations regarding monetary policy and short-term movements in the supply-demand balance for refined copper, while continued demand for copper-processed products from sectors such as new energy vehicles, renewable energy and power infrastructure supported copper prices at relatively elevated levels.

On January 28, 2026, we entered into a real estate purchase agreement to acquire the land located at Via di Cassano Nos. 111-113, 15069 Serravalle Scrivia, Alessandria, Italy, which is currently used by our Italian subsidiary. The acquisition serves to optimize our overseas production layout, providing a stable physical foundation for capacity expansion, technical upgrades, and production line optimization in furtherance of our globalization strategy. The total purchase costs for the acquisition was approximately €19.0 million, which was financed by our own funds. The acquisition of the land will, over the longer term, enhance our operational flexibility and autonomy, support the scaling of European production capacity, and contribute to our sustained development. We do not consider the acquisition to have a material adverse impact on our overall financial condition or operations.

In April 2026, the Board approved final dividends of approximately RMB283.0 million in respect of the year ended December 31, 2025. This proposed dividend was subsequently approved by the shareholders at the annual meeting in May 2026, and a final dividend of approximately RMB283.0 million in respect of the year ended December 31, 2025 was paid in July 2026. In August 2026, the Board approved a proposed interim dividend of approximately RMB114.1 million for the six months ended June 30, 2026. The proposed interim dividend remains subject to approval by our shareholders at the sixth extraordinary general meeting.

In April 2026, we announced our plan to establish a joint venture to develop a manufacturing and processing facility for high-end copper products in Saudi Arabia, with a view to expanding our production of copper tubes, copper busbars, refined recycled copper products and copper foil. The project is expected to leverage the availability of local copper resources, competitive energy costs and favorable government policies and primarily serve markets in the Middle East, Europe and Africa. Through this project, we expect to enhance the resilience of our supply chain, improve operational efficiency and further strengthen our global manufacturing footprint. In addition, we announced the plan to reorganize our HME France Production Base to reorganize the production base to adjust its production activities and product mix in line with market demand. Under the plan, we intend to discontinue brass rods production at the production base and shift its production resources to products with growing regional demand. The plan involves a reduction in the workforce at the production base, which had been implemented in accordance with applicable French law in consultation with employee representatives and includes redeployment and outplacement support measures. The reorganization forms part of our broader strategy of optimizing capacity utilization across our European production bases through product specialization and coordination among facilities. We do not expect the reorganization to materially and adversely affect our overall production capacity, as the production capacity of the HME France Production Base will be reallocated among our other production bases in Europe, which have sufficient available capacity to absorb the relevant production. Our Directors are of the view that the reorganization will not have a material adverse effect on our business, financial condition or results of operations.

SUMMARY

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since January 2008, our Company has been listed on the Shenzhen Stock Exchange. To the best knowledge of our Directors and as advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practical Date, we have complied with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in all material respects. To the best knowledge of our Directors, and having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with our Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are [REDACTED] pursuant to the [REDACTED] and (ii) the [REDACTED] is not exercised.

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
Market capitalization of our H Shares ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Market capitalization of our Shares ⁽²⁾ .	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽³⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market capitalization is based on [REDACTED] H Shares expected to be in [REDACTED] immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised.
- (2) [The calculation of market capitalization is based on (i) 2,281,755,274 A Shares (excluding 10,000,000 A Shares repurchased and held in the Company’s stock repurchase account as treasury shares) as of the Latest Practicable Date at the average closing price of the A Shares of the Company for the five trading days immediately preceding the Latest Practicable Date at RMB18.96 (or approximately HK\$21.93) per Share, and (ii) the expected market capitalization of the Company’s H Shares at [REDACTED], assuming the [REDACTED] is not exercised.]
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the Appendix II and on the basis that [REDACTED] (excluding 80,636,089 treasury shares) were in issue assuming that the [REDACTED] has been completed on May 31, 2026 but takes no account of any Shares which may be allotted and [REDACTED] by the Company pursuant to the exercise of the [REDACTED], any Shares that may be issued by the Company pursuant to the exercise of options or the vesting of restricted shares or other awards that have been or may be granted from time to time under the Employee Share Ownership Plan or any Shares which may be issued or repurchased by the Company after the Latest Practicable Date.
- (4) Pursuant to the resolution passed by the Board of Directors on August 26, 2026, an interim dividend of RMB0.50 per 10 shares, totaling RMB114.09 million, has been proposed and approved, subject to further review and approval at the shareholders’ meeting. This dividend is not recorded in the financial statements of the Company for the five months ended May 31, 2026 or this unaudited [REDACTED] financial information. Had this dividend been adjusted in the unaudited [REDACTED] financial information, the net tangible assets of the Group would decrease by RMB114.09 million and the net tangible assets per share would decrease by RMB[REDACTED] (equivalent to HK\$[REDACTED]).

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DIVIDEND

Pursuant to our dividend policy under the Articles of Association, in principle, we distribute cash dividends at least once a year. Our annual cash dividends shall not be less than 10% of the distributable profit realized in the current year. In addition, the cumulative cash dividends over any consecutive three-year period shall not be less than 30% of the average annual distributable profits realized during such three-year period. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after giving full consideration to our development plans, operating metrics, the scale of profitability, cash flow, capital requirements, and will also take into account the views of shareholders (particularly minority shareholders) and independent directors. We do not have a fixed dividend payout ratio.

In 2023, 2024, 2025 and the five months ended May 31, 2026, we declared or paid cash dividends to our shareholders of RMB159.2 million, RMB339.7 million, RMB566.8 million and RMB283.0 million, respectively. As of the Latest Practicable Date, we had paid these dividends in full.

[REDACTED]

[REDACTED] consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] of approximately RMB[REDACTED] million (HK\$[REDACTED] million), comprising: (i) [REDACTED] of RMB[REDACTED] million (HK\$[REDACTED] million); and (ii) non [REDACTED] expenses of RMB[REDACTED] million (HK\$[REDACTED] million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB[REDACTED] million (HK\$[REDACTED] million); and (b) other fees and expenses of RMB[REDACTED] million (HK\$[REDACTED] million), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which is expected to be charged to our combined statements of profit or loss, and approximately RMB[REDACTED] million (HK\$[REDACTED] million) of which is expected to be deducted from equity upon completion of the [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. During the Track Record Period, the [REDACTED] charged to our consolidated statements of profit or loss were RMB[REDACTED] million. After the Track Record Period, approximately RMB[REDACTED] is expected to be charged to our consolidated statements of profit or loss. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2026.