

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to August 2000 when business was founded by Mr. Feng Hailiang under Zhuji Panguan Co., Ltd. (海亮集團諸暨盤管有限公司) (“**Zhuji Panguan**”), with an initial focus on copper tubes and copper rods. With over 25 years of operations, the Company has developed and grown into a global provider of copper-based products, delivering advanced thermal management and conductive materials that empower customers worldwide to achieve enhanced energy efficiency. In January 2008, the A Shares of our Company were listed on the Shenzhen Stock Exchange (stock code: 002203). As of the Latest Practicable Date, Mr. Feng Hailiang is, directly and indirectly (through Hai Liang Group and Zhejiang Zhengmao), interested in approximately 30.11% of our total issued share capital and controlled 30.24% of our voting rights (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).

OUR MILESTONES

The following is a summary of our Group’s key business development milestones:

2000	We expanded into overseas markets, began exporting our products abroad.
2001	Our Company was converted into a joint stock company with limited liability, with copper tubes and copper rods as our core products, laying the foundation for our main copper processing business.
2005	We establish our production base in Shanghai.
2007	We established our subsidiary and production base in Vietnam, expanding our production capacity overseas.
2008	Our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002203).
2009	We established our subsidiary in the U.S. and tapped into the North American market.
2010	We established our production base in Anhui Province.
2015	We established our production base in Guangdong Province.
2016	We acquired JMF Company, enhancing our sales network in the North American market.
	We founded Zhejiang Hailiang New Material Co., Ltd. (“浙江海亮新材料有限公司”) with an focus on the research, development and manufacturing of aluminum tubes, and have continued to deepen our presence in the metal materials industry.
2017	We commenced operation of our copper busbar production line in Zhuji City, Zhejiang Province.
	We acquired Luvata Heating Cooling Technologies (Thailand) Ltd., including its production bases in Thailand and Zhongshan City, Guangdong Province, expanding our copper heat management product line.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- 2018 We acquired Chengdu Bede, rapidly expanding our copper busbar business.
- We established our production base in Chongqing, further enhancing our production capacity coverage in Southwest China to meet the needs of the home appliance and automotive industries.
- 2019 We acquired three copper alloy rod manufacturing companies of KME Germany GmbH & Co. KG located in Germany, France, and Italy, as well as two copper tube production bases in Germany and Spain, enabling us to quickly gain production capacity and customer resources in the European market.
- We began construction of our copper tube production line in Texas, U.S., marking our official entry into local manufacturing in the North America.
- 2021 We established Gansu Hailiang, entering the electrolytic copper foil sector and expanding into the NEVs and semiconductor industries.
- 2023 We established PT Hailiang Nova Material Indonesia, launching overseas copper foil capacity planning to support the global expansion of China’s new energy industry chain.
- 2024 We established Hailiang Morocco Enterprise to enhance our market coverage in Europe, the Middle East and Africa.
- 2025 We will establish our subsidiary focused on precision technology, providing thermal management products for the technology industry, including computing chips and data centers, serving the artificial intelligence sector.

OUR MAJOR SUBSIDIARIES

Our business operations have been carried out by our Company and our network of subsidiaries. The following sets forth information about our Major Subsidiaries as of the Latest Practicable Date:

Name	Place of establishment	Date of establishment	Principal business activities
Shanghai Hailiang Copper Industry Co., Ltd. (上海海亮銅業有限公司)	PRC	July 19, 2005	Production and sales of non-ferrous metal composite materials and new alloy materials
Ningbo Hailiang Copper Industry Co., Ltd. (寧波海亮銅業有限公司)	PRC	September 5, 2016	Sales of metallic materials
Hailiang (Anhui) Copper Industry Co., Ltd. (海亮(安徽)銅業有限公司)	PRC	July 8, 2010	Production and sales of copper and copper alloy pipes, fittings and metal products
Guangdong Hailiang Copper Industry Co., Ltd. (廣東海亮銅業有限公司)	PRC	March 17, 2015	Production and sales of non-ferrous metal alloys and processed metal materials

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Place of establishment	Date of establishment	Principal business activities
Gansu Hailiang New Energy Materials Co., Ltd. (甘肅海亮新能源材料有限公司)	PRC	November 10, 2021	Testing and inspection services and research, development, manufacturing and sales of electronic special materials and metallic materials
Hailiang Copper Texas Inc	U.S.	October 19, 2018	Production and sales of copper and brass products
HME Copper Germany GmbH	German	October 15, 2018	Production, sales and processing services of copper pipes for industrial and piping products
Loyal Hailiang Copper (Thailand) Co., Ltd.	Thailand	October 26, 1999	Production and sales of high-performance seamless air conditioning refrigerant pipes
HAILIANG (SINGAPORE) PTE. LTD.	Singapore	December 21, 2016	Sales of metals and metal ores
HAILIANG (VIETNAM) COPPER MANUFACTURING COMPANY LIMITED	Vietnam	August 8, 2008	Production of copper or copper alloy products and recycling of metal waste
HAILIANG (VIETNAM) METAL PRODUCTS CO., LTD	Vietnam	January 23, 2007	Production, processing and sales of copper and copper alloy products, and recycling of scrap metal
JMF Company	U.S.	March 18, 1968	Processing and distribution of insulation pipes, air conditioning and refrigeration and plumbing building materials
PT HAILIANG NOVA MATERIAL INDONESIA	Indonesia	March 1, 2023	Production, processing and sales of non-ferrous metals and related products
HAILIANG MOROCCO ENTERPRISE	Morocco	September 19, 2024	Production, processing and sales of precision brass bars and precision copper alloy tubing
HONG KONG HAILIANG METAL TRADING LIMITED (香港海亮銅貿易有限公司)	Hong Kong	December 9, 2006	Import and export of metallic materials and their products

CORPORATE DEVELOPMENT

The following sets forth the major shareholding changes and increase in the share capital of our Company.

Establishment and Conversion into Joint Stock Limited Company

Our predecessor, Zhuji Panguan, was founded in August 2000 and converted into a joint stock company with limited liability under the name of ZHE JIANG HAI LIANG CO., LTD. (浙江海亮股份有限公司) in October 2001, with a registered capital of RMB106,318,000 divided into 106,318,000 Shares of a nominal value of RMB1.00 each. Upon completion of the establishment and conversion, our Company was owned as to approximately 57.74% by Hai Liang Group, 2.17%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

by Shaoxing Zhongyu Metal Materials Co., Ltd. (紹興市中宇金屬物資有限公司) (“**Shaoxing Zhongyu**”), which is an Independent Third Party, and 40.09% by other 34 individual Shareholders. Save for Mr. Zhu Zhangquan (朱張泉), Mr. Chen Dong (陳東), Mr. Jiang Lirong (蔣利榮), who serve as directors of our subsidiaries and Ms. Shang Feiyan (賞飛燕), who serves as a supervisor of our subsidiary, each of the remaining 30 individuals is an Independent Third Party.

A Share Offering and Listing on the Shenzhen Stock Exchange

After a series of shareholding changes and capital increases immediately prior to our Company’s listing on the Shenzhen Stock Exchange, our total issued share capital increased from RMB106,318,000 to RMB345,100,000 divided into 345,100,000 Shares, and our Company was owned as to approximately 48.53% by Hai Liang Group, 34.86% by Z&P ENTERPRISES LLC (“**Z&P**”), 1.14% by Shaoxing Zhongyu and 15.47% by ten other individual Shareholders, who were our then Director, Supervisors, senior management and other core employees. Each of Z&P and Shaoxing Zhongyu is an Independent Third Party.

On January 16, 2008, as approved by the CSRC, our A Shares were listed on the Shenzhen Stock Exchange under the stock code of 002203.SZ, with 55,000,000 new Shares issued to the public. Upon completion of our A Share offering, our total share capital was RMB400,100,000 divided into 400,100,000 A Shares, with a nominal value of RMB1.00 each.

In December 2011, our Company placed and issued 115,912,209 A Shares to all then existing Shareholders on a pro-rata basis at the consideration of RMB6.66 per Share. Upon completion of the placing, our share capital increased to 516,012,209 A Shares. In May 2012 and September 2014, our Company converted our capital reserves into share capital and our total issued Shares further increased to 1,548,036,626 A Shares.

Placing of A Shares to Acquire Hai Liang EM in 2015

Zhejiang Hai Liang Environmental Materials Co., Ltd. (浙江海亮環境材料有限公司) (“**Hai Liang EM**”) is a limited company incorporated under the laws of PRC and primarily engages in research, development, manufacturing, and sales of environmental materials. Prior to the acquisition by our Company, Hai Liang EM was owned as to approximately (i) 90.00% by Hai Liang Group and (ii) 10.00% by Zhejiang Zhengmao.

In June 2015, upon approval by the CSRC, our Company acquired the entire interest of Hai Liang EM at a total consideration of RMB660.0 million. The consideration was determined after arm’s length negotiations with reference to the appraised valuation of Hai Liang EM, and was settled by our placing of 111,028,038 and 12,336,449 A Shares to Hai Liang Group and Zhejiang Zhengmao, then shareholders of Hai Liang EM, respectively at an issue price of RMB5.35 per A Share. Upon completion of the acquisition and placing, Hai Liang EM became our wholly owned subsidiary and our total issued Shares increased to 1,671,401,113 A Shares.

Restricted Shares Incentive Plan and Employee Stock Ownership Plan

In order to enhance our Company’s competitiveness in the talent market, comprehensively address our growing needs for talent and build a high-quality workforce, we have adopted the 2016 Restricted Shares Incentive Plan, 2018 Employee Stock Ownership Plan, 2021 Employee Stock Ownership Plan and 2026 Employee Stock Ownership Plan.

Under the 2016 Restricted Shares Incentive Plan, 20,716,000 restricted A Shares and 3,900,000 restricted A Shares were granted to 190 and 163 grantees in two tranches, including Directors, senior management and other employees of our Company, in September 2016 and September 2017, respectively. Following the completion of the registration of the restricted A Shares granted under the 2016 Restricted Shares Incentive Plan, our total issued Shares increased to 1,696,017,113 A Shares. As of the Latest Practicable Date, there was no outstanding restricted

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

A Shares granted under the 2016 Restricted Shares Incentive Plan and the restricted A Shares granted pursuant to the 2016 Restricted Shares Incentive Plan have all been released from the lock-up period and have become A Shares without restrictive conditions of sale.

Pursuant to the 2018 Employee Stock Ownership Plan, our Company granted an aggregate of 12,519,688 A Shares to 426 participants through repurchase from the secondary market. As of the Latest Practicable Date, all the 12,519,688 A Shares under the 2018 Employee Stock Ownership Plan was fully granted and vested of and there is no outstanding shares under such plan.

From December 2017 to September 2021, our Company repurchase and canceled 946,400 A Shares under the 2016 Restricted Shares Incentive Plan.

Our Company has adopted the 2021 Employee Stock Ownership Plan and the 2026 Employee Stock Ownership Plan in April 2021 and January 2026, respectively. As of the Latest Practicable Date, the total number of A Shares held by the 2021 Employee Stock Ownership Plan was 5,600,044 for 118 participants and the total number of A Shares held by the 2026 Employee Stock Ownership Plan was 70,636,089 for 300 participants. See “Appendix IV — Statutory and General Information — Employee Stock Ownership Plans” for details.

Placing of A Shares in 2018

In September 2018, following the approval of our shareholders and CSRC, we were approved for a non-public offering of A Shares. In November 2018, we issued 256,860,319 A Shares to four qualified subscribers, namely Hai Liang Group, Huarong Ruitong Equity Investment Management Co., Ltd. (華融瑞通股權投資管理有限公司), Hua'an Property & Casualty Asset Management Co., Ltd. (華安財保資產管理有限責任公司) and Huian Fund Management Co., Ltd. (匯安基金管理有限責任公司), subscribing for 61,804,697, 28,430,160, 90,234,857 and 76,390,605 A Shares, respectively. Save as Hai Liang Group, each of the other three subscribers was an Independent Third Party. After the completion of this non-public offering, our total issued Shares increased to 1,952,458,432 A Shares.

Issuance of Convertible Bonds, Conversion and Redemption

In November 2019, we conducted a public issuance of convertible bonds of RMB3.15 billion at a par value of RMB100 (the “**Convertible Bonds**”) to satisfy the Company’s funding needs primarily for the construction of copper production base. The Convertible Bonds were listed on Shenzhen Stock Exchange (bond code: 128081) on December 16, 2019. The period for conversion of the Convertible Bonds into A Shares is from the date of the issuance of the Convertible Bonds to November 21, 2025, with an initial conversion price of RMB9.83 per A Share.

During May 2020 to September 2025, a total of 339,824,242 A Shares were converted from the Convertible Bonds and our total issued share capital increased to 2,291,755,274 A Shares in September 2025. The Convertible Bonds were delisted from the Shenzhen Stock Exchange on October 15, 2025.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3 billion.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be [REDACTED] pursuant to the [REDACTED] represents [REDACTED]% of the total issued share capital of our Company (assuming the [REDACTED] is not exercised), which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with 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 5% 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\$[REDACTED]; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$[REDACTED]. The Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

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

Our Directors confirmed that, as of the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC, and, 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. 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. 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.

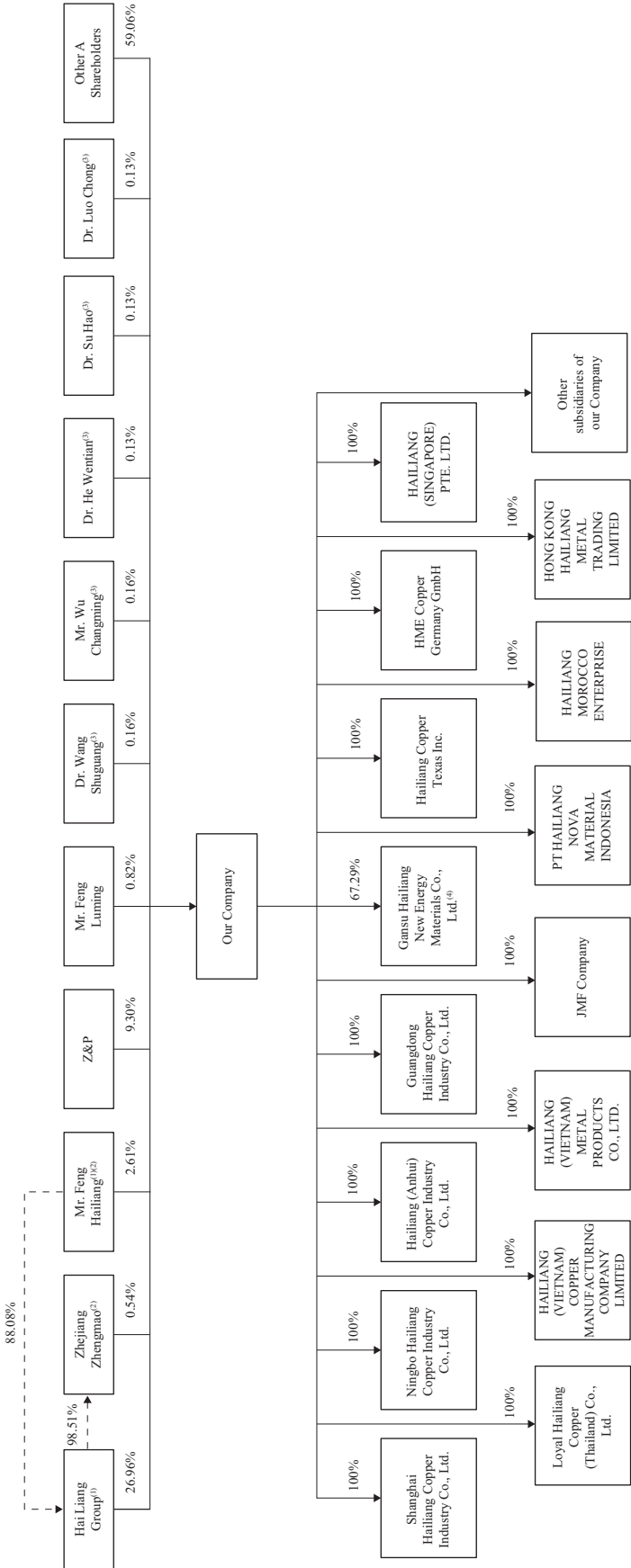
Our Company seeks to be [REDACTED] on the Hong Kong Stock Exchange in order to promote our globalization strategy, improve our international brand image and competitiveness. See “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” for more details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Shareholding and Corporate structure immediately before the [REDACTED]

The following chart sets forth our simplified corporate structure immediately prior to the [REDACTED] (assuming no changes are made to our issued share capital between the Latest Practicable Date and the [REDACTED]):



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) As of the Latest Practicable Date, Hai Liang Group was owned as to (i) 41.24% by Mr. Feng Hailiang, (ii) 38.05% by Ningbo Zhetao Investment Holding Co., Ltd. (寧波哲韜投資控股有限公司) (“**Ningbo Zhetao**”), (iii) 8.79% by Ningbo Dunshi Investment Co., Ltd. (寧波敦士投資有限公司) (“**Ningbo Dunshi**”), (iv) 2.85% by Mr. Tang Lu (唐魯), the nephew of Mr. Feng Hailiang, (v) 1.10% and 1.10% by Mr. Jiang Lirong (蔣利榮) and Mr. Zhu Zhanquan (朱張泉), respectively, each of whom is the director of our subsidiaries and (vi) 6.87% by other shareholders, each of whom is an Independent Third Party.

Ningbo Dunshi is owned as to 96.65% by Mr. Feng Hailiang. Ningbo Zhetao is owned as to 58.84% by Mr. Feng Hailiang and 31.60% by Zhejiang Beize Group Co., Ltd. (浙江貝澤集團有限公司), which is in turn controlled by Mr. Feng Hailiang.
- (2) As of the Latest Practicable Date, Zhejiang Zhengmao was owned as to (i) 58.47% by Hai Liang Group, (ii) 40.04% by Hailiang Metal Trade Group Co., Ltd. (海亮金屬貿易集團有限公司), which is a wholly owned subsidiary of Hai Liang Group and (iii) 1.49% by Zhejiang Jiaxing Charity Foundation (浙江嘉行慈善基金會), which is an Independent Third Party.
- (3) Representing the Shares in which the Directors were interested under the 2021 Employee Stock Ownership Plan and 2026 Employee Stock Ownership Plan.
- (4) As of the Latest Practicable Date, the remaining interest of Gansu Hailiang New Energy Materials Co., Ltd. (甘肅海亮新能源材料有限公司) (“**Gansu Hailiang**”) was held as to (i) 23.36% by Shenchuangtong Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership) (深創投製造業轉型升級新材料基金(有限合伙)) (“**Shenchuangtong Fund**”), (ii) 4.67% by Hai Liang Group and (iii) 4.67% by Gongrong Jintou (Beijing) Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (工融金投(北京)新興產業股權投資基金合夥企業(有限合伙)) (“**Gongrong Jintou**”). Each of Shenchuangtong Fund and Gongrong Jintou is an Independent Third Party.

