

CONNECTED TRANSACTIONS

OVERVIEW

Upon [REDACTED], transaction between members of our Group and our connected person will constitute continuing connected transaction of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSON

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Hai Liang Group will hold approximately [REDACTED]% of our total issued [REDACTED]. Accordingly, Hai Liang Group will continue to be our substantial Shareholder upon the completion of the [REDACTED]. Therefore, Hai Liang Group and associates are our connected persons upon [REDACTED]. We have entered into certain transactions in the ordinary and normal course of our business with Hai Liang Group and associates, which will constitute continuing connected transactions upon [REDACTED].

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Set out below is a summary of our continuing connected transactions:

Nature of transactions	Applicable Listing Rules	Waiver Sought
Fully-Exempt Continuing Connected Transaction		
Procurement of Products from Hai Liang Group and its associates	14A.76(1)(a)	N/A
Partially-exempt Continuing Connected Transaction		
Procurement of Services from Hai Liang Group and its associates	14A.35, 14A.76(2) and 14A.105	Announcement requirement
Non-Exempt Continuing Connected Transaction		
Financial Services Framework Agreement	14A.35, 14A.36, 14A.90 and 14A.105	Announcement and independent Shareholders’ approval requirement

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into a series of transactions with Hai Liang Group and certain associates on normal commercial terms, which will continue after the [REDACTED]. As our Directors currently expect, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis. Under Rule 14A.76(1)(a) of the Listing Rules, these transactions are fully exempt from reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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Procurement of Products from Hai Liang Group and its associates

Principal terms

We entered into a framework agreement with Hai Liang Group and its associates on [●] (“**Hai Liang Group Products Procurement Framework Agreement**”), pursuant to which Hai Liang Group and its certain associates will provide us with a range of administrative supplies, including food products, administrative office supplies, as well as other ancillary supplies necessary and other related consumables. Such transactions were conducted on normal commercial terms in the ordinary and usual course of our business and are expected to continue after the [REDACTED]. The pricing of the products procured from Hai Liang Group and its associates is determined on normal commercial terms and negotiated on an arm’s length basis, having regard to factors including product type, quantity, quality and the prevailing market prices of similar products.

The initial term of Hai Liang Group Products Procurement Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 (both days inclusive), subject to renewal upon the mutual agreement of both parties thereto. Relevant parties under the Hai Liang Group Products Procurement Framework Agreement will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles.

Historical amounts

The historical transaction amounts in respect of the procurement of products from Hai Liang Group and its associates for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026 were RMB4,519,501.31, RMB5,308,215.89, RMB6,676,643.10 and RMB3,097,569.73, respectively.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

Procurement of Services from Hai Liang Group and its associates

Principal terms

We entered into framework agreement with Hai Liang Group and its associates on [●] (“**Hai Liang Group Services Procurement Framework Agreement**”), pursuant to which Hai Liang Group and its certain associates will provide us with a range of comprehensive operational support services for our business operation purposes, including catering services, information technology and related information services, property leasing and rental services, construction management services, education and training services, health consultation and medical examination services, advanced payment services, as well as various employee-benefit-related services and administrative expenses for daily business hospitality. Such agreements were entered into on normal commercial terms in the ordinary and usual course of our business and are expected to continue after the [REDACTED].

The initial term of Hai Liang Group Services Procurement Framework Agreement will commence on the [REDACTED] and will end on December 31, 2028 (both days inclusive), subject to renewal upon the mutual agreement of both parties thereto. Relevant parties under the Hai Liang Group Services Procurement Framework Agreement will enter into separate underlying agreements and/or orders which will set out the specific terms and conditions according to the principles.

Reasons for the transaction

The Group entered into the Hai Liang Group Service Procurement Framework Agreement with Hai Liang Group and its associates to procure various ancillary operational support services required for its day-to-day operations, including employee welfare-related services and administrative support services, which are not part of the Group’s core business but are necessary for its ordinary course of business.

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In addition to such ancillary services, the Group’s demand for construction management services has increased since 2026. Such increase is primarily attributable to the expansion of the Group’s copper foil business, which results in the Group’s preparation for optimizing the layout of its domestic and overseas production bases. In addition, the Group has adjusted its production capacity plans and project arrangements accordingly, resulting in (i) the acceleration of certain existing projects which were previously planned to be deferred or progressed at a slower pace, and (ii) the initiation of new production facility construction and related infrastructure projects. These projects involve, among others, plant construction, installation and relocation of production lines, and other supporting works, which have led to an increase in the Group’s demand for construction management services.

Hai Liang Group possesses the requisite resources and infrastructure to provide such services, and the Group is able to conveniently leverage these existing resources. This enables the Group to secure stable and efficient service support without engaging multiple external providers for relatively small-scale and ancillary service needs.

The Directors consider that the transactions are conducted on normal commercial terms in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pricing policies

The pricing of the services procured from Hai Liang Group and its associates is determined on normal commercial terms and negotiated on an arm’s length basis, taking into account, among others, the nature and scope of the services required, the historical prices offered by Hailiang Group, the prevailing market prices for comparable services provided by Independent Third Parties, the quality and reliability of service delivery and the Company’s actual operational needs.

Historical amounts

The historical transaction amounts in respect of the procurement of services from Hai Liang Group and its associates for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026 were RMB16,996,143.95, RMB12,566,340.53, RMB60,107,974.00 and RMB21,953,100.17, respectively.

Annual caps and basis of annual caps

The transaction amounts in respect of our procurement of the above services under the Hai Liang Group Service Procurement Framework Agreement for the three years ending December 31, 2028 shall not exceed RMB386 million, RMB386 million and RMB386 million, respectively.

The above proposed annual caps are determined with reference to:

- (i) the historical transaction amounts in respect of the procurement of services from Hai Liang Group and its associates. In particular, the historical transaction amount for 2025 increased significantly primarily because, from October 2025, Hengzhongda Construction Co., Ltd. (恒中達建築有限公司) (“**Hengzhongda**”) became a connected person of the Group as a result of a 30% equity interest in Hengzhongda being acquired by a wholly-owned subsidiary of Hai Liang Group. Accordingly, although the Group had been conducting transactions relating to construction project entrusted management services with Hengzhongda prior to it becoming a connected person (with annual transaction amounts of approximately RMB100–200 million during the Track Record Period), only the transaction amounts incurred from October 2025 onwards were included in the historical transaction amounts in respect of the procurement of services from Hai Liang Group and its associates. As a result, the historical transaction amounts disclosed for the Track Record Period appeared relatively low prior to such inclusion, whereas only approximately two months of the relevant transactions were captured in 2025 for the purpose of the above historical transaction amounts;

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- (ii) the expected demand for (a) ancillary operational support services in light of the Group’s business development and operational needs, including potential changes in employee numbers, employee welfare arrangements and office requirements; and (b) construction project entrusted management services arising from the expansion of the Group’s copper foil business, including the acceleration of certain existing projects and the initiation of new production facility and supporting infrastructure projects across its domestic and overseas production bases;
- (iii) the payment and settlement features of construction project entrusted management services. Payments and settlements for such services may not be incurred evenly over time and may be accelerated, deferred or concentrated in a particular year depending on factors including the progress of the relevant projects, completion and acceptance status, final settlement or audit timing, invoice issuance and internal payment approval procedures; and
- (iv) the Group’s expected production base development and expansion needs over the three years ending December 31, 2028. In particular, the Group may continue to undertake new, continuing or modified production facility and supporting infrastructure projects across its domestic and overseas production bases, and the annual transaction amount may fluctuate depending on the timing at which sizeable construction and project management-related items become payable.

Listing Rules Implications

As the highest applicable percentage ratio of the transactions contemplated under the Hai Liang Group Service Procurement Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company subject to the annual reporting and annual review requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Financial Services Framework Agreement

Principal terms

On April 24, 2025, our Company entered into a financial services framework agreement (the “**Financial Services Framework Agreement**”) with Hailiang Group Finance Co., Ltd. (海亮集團財務有限責任公司) (“**Hailiang Finance**”), a subsidiary of Hai Liang Group and a finance company approved by the relevant regulatory authorities in the PRC. Hailiang Finance is licensed to provide finance company services to corporate groups, including deposit-taking from group member entities, provision of loans and bill discounting services to group member entities, fund settlement and payment services among group member entities, non-financing guarantees, bill acceptance and other financial management services within the group. Pursuant to the Financial Services Framework Agreement, Hailiang Finance will, from time to time, provide the following services to our Company:

(a) Deposit Services

Our Company may deposit cash with Hailiang Finance. The deposit interest rate offered by Hailiang Finance to our Company shall not be lower than the benchmark interest rate for deposits of the same type and term as promulgated by the People’s Bank of China and the rates offered by other independent commercial banks in the PRC.

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(b) Loan Services

Hailiang Finance may provide loan services to our Company. The loan interest rate charged by Hailiang Finance to our Company shall, in principle, not exceed the rate offered to Our Company by other major financial institutions in the PRC under similar conditions.

(c) Other Financial Services

Hailiang Finance may provide other financial services, such as payment and settlement services, bill discounting and acceptance, entrusted loan services, bond underwriting, non-financing guarantees, financial advisory and credit advisory services. The fees charged by Hailiang Finance for such services shall not exceed the standard rates set by the People’s Bank of China and those charged by other independent commercial banks in the PRC. Hailiang Finance will provide all settlement services to our Company free of charge until December 31, 2027.

Reasons for the transaction

Hailiang Finance is a finance company duly approved by the relevant regulatory authorities in the PRC to provide financial services to corporate groups. The interest rates on deposits and loans, as well as the service fees for other financial services offered by Hailiang Finance, are no less favourable than those available from major commercial banks in the PRC. This ensures that the Group is able to access competitive terms, thereby reducing overall financing costs and improving returns on surplus funds. broaden the Group’s financing channels, optimise financial management, enhance capital utilisation efficiency, reduce financing costs and risks, and provide stable funding support for the Group’s long-term development.

Pricing policies

In terms of deposit services, any deposit services provided by Hailiang Finance under the Financial Services Framework Agreement will be on terms and conditions no less favorable than those offered by independent commercial banks in China for similar deposit services. The deposit interest rate(s) offered by Hailiang Finance will not be lower than (i) the benchmark interest rate(s) for deposits of the same type and tenor published by the PBOC, (ii) the interest rate(s) offered by other independent commercial banks in China for comparable deposits and (iii) the interest rate(s) it offers to independent third parties.

In terms of loan services, the interest rate for any loan facilities provided by Hailiang Finance under the Financial Services Framework Agreement will, subject to compliance with the relevant requirements of the PBOC, not be higher than the loan interest rate(s) offered to the Group by other major financial institutions in China for comparable loan services. The loan services constitute financial assistance provided to our Group by connected persons for the benefit of our Group under Rule 14A.90 of the Listing Rules. As the loan services are provided on normal commercial terms or better to our Group and are not secured by the assets of our Group, the receipt of such loan services is fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In terms of other financial services, the fees to be charged by Hailiang Finance for (i) the provision of settlement services shall not exceed the standard fee rates for the same type of services prescribed by the PBOC (where applicable) and those charged by independent commercial banks in the PRC for comparable services; and (ii) other financial services shall be charged at fees which do not exceed the fair market rates or the level of fees charged by independent commercial banks in the PRC for similar services. As the highest applicable percentage ratios in respect of the relevant annual service fees payable by the Group to Hailiang Finance in aggregate are expected to be below 0.1%, the provision of such financial services by Hailiang Finance to the Group will be fully exempt from the reporting, announcement and independent shareholders’ approval requirements under Rule 14A.76 of the Listing Rules.

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Historical amounts

The historical transaction amounts in respect of the deposit, loan and other financial services with Hailiang Finance for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026 are as follows:

	For the year ended December 31,			Five months ended May 31,
	2023	2024	2025	2026
	(RMB'000)			
Maximum daily balance (including interests) of our Group's deposit services with Hailiang Finance	2,452,862.1	3,364,073.1	2,783,845.0	1,755,899.6
Loan services	—	1,000	1,000	1,000
Other financial services	115,000	115,408.1	116,284	115,539.8

Annual caps and basis of annual caps

The total transaction amount in respect of the deposit, loan and other financial services with Hailiang Finance for the three years ending December 31, 2026, 2027, and 2028 shall not exceed the proposed annual caps as set out below:

	For the year ending December 31,		
	2026	2027	2028
	(RMB'000)		
Maximum daily balance (including interests) of our Group's deposit services with Hailiang Finance	3,000,000	3,000,000	3,000,000
Loan services	1,000	1,000	1,000
Other financial services	150,000	150,000	150,000

The above proposed annual caps are determined with reference to: (a) the historical transaction amounts during the Track Record Period; (b) the current and expected future cash flow position of our Group in light of our estimated scale of business operation, leading to larger operational cash inflows to our Group, hence driving up the needs for our Group's deposit services with Hailiang Finance; and (c) the liquidity of our Group, including the cash and cash equivalents of our Group as of May 31, 2026.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the transactions under the Financial Services Framework Agreement are expected to exceed 5% on an annual basis, such transactions will, upon the [REDACTED], be subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

As the continuing connected transactions under “— Partially-Exempt Continuing Connected Transactions” and “— Non-exempt Continuing Connected Transaction” in this section are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that strict compliance with the announcement and independent shareholders' approval requirements under the Listing Rules would be impractical and unduly burdensome and would lead to unnecessary administrative costs upon us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers pursuant to Rule 14A.105 of the Listing Rules from strict compliance with the announcement and shareholders' approval requirement under Rules 14A.35 and 14A.36 of the Listing Rules in respect of transactions as disclosed in “— Partially-Exempt Continuing Connected Transactions” and “— Non-exempt Continuing Connected Transaction” in this section, provided that the total amount of such transactions for the three years ending December 31, 2026, 2027 and 2028 shall not exceed the proposed annual caps as set out in this section.

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Apart from the announcement and shareholders' approval requirement from which a waiver is sought, the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules. In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors are of the view that the partially-exempt and non-exempt continuing connected transactions as set out above have been and will be carried out in the ordinary and usual course of business of our Company and on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- (a) our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules;
- (b) our Company will provide information and supporting documents to the independent non-executive Directors and the auditors of the Company in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors and the auditors of our Company will review the continuing connected transactions on an annual basis and confirm in our annual reports as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap; and
- (c) When considering any renewal or revisions to the agreements after the [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transaction under rule 14A.35 of the Listing Rules.