You should read the following discussion and analysis with our historical financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a global provider of copper-based products, delivering advanced thermal management and conductive materials that empower customers worldwide. 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 and other AI applications. Our revenue increased by 15.6% from RMB75,733.6 million in 2023 to RMB87,542.1 million in 2024, and remained relatively stable at RMB83,306.7 million in 2025. Our revenue further increased from RMB34,820.3 million the five months ended May 31, 2025 to RMB40,469.7 million the five months ended May 31, 2026. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we recorded net profits of RMB1,169.5 million, RMB623.9 million, RMB1,010.0 million, RMB374.1 million and RMB554.9 million, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our gross profit margin was 4.1%, 3.3%, 3.8%, 3.8% and 4.4%, respectively.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss ("FVPL") and financial assets measured at fair value through other comprehensive income ("FVOCI"). For more information on the basis of preparation of the Historical Financial Information, see Note 2.1 of Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which may be beyond our control, including (i) relevant laws and regulations, governmental policies and initiatives; (ii) the growth and competition environment of copper-based materials industry; (iii) overall economic conditions and political environment; and

(iv) occurrence of force majeure events, outbreak of public health incidents, acts of war, social and economic chaos and natural disasters. In addition to the foregoing general factors, we believe our results of operations are also affected by a number of key factors specific to our Group, including the following:

Raw Material Price Fluctuations

Our profitability, cash flow, and working capital management are sensitive to fluctuations in raw material prices, in particular, copper price. We operate under a pricing model that combines raw material costs and processing fee, where processing fees (determined by market practice, product specifications and process complexity) remained relatively stable, while the copper component is typically based on prevailing market prices at the time of settlement, which is subject to volatility. Copper price and primary copper product (including copper cathode) price demonstrated variability. Between 2020 and 2025, the average price of LME copper cathode rose from USD6,167 per ton to USD9,939 per ton, while the average price of the SHFE copper cathode rose from RMB48,238 per ton to RMB79,859 per ton, representing a CAGR of 10.0% and 10.6%, respectively. Such volatility may create uncertainty in cost forecasting and margin stability. Furthermore, the time lag between raw material procurement and product settlement may result in profit fluctuations. An increase in copper price would raise procurement costs, elevate working capital requirements and intensify financing needs, thereby exerting additional pressure on liquidity. Due to the predominance of raw material costs in our cost structure, our financial position is particularly sensitive to copper price movements. Although we employ hedging futures strategies to mitigate risks associated with procurement and sales transactions, these measures cannot fully offset the impact of copper price volatility on our profitability, cash flow and working capital. We expect that our revenue and cost of revenue will continue to be influenced by fluctuations in the price of copper.

Downstream Market Performance

Copper processed products are widely used in traditional sectors such as electrical engineering, and we have established a solid foundation in this industry. Furthermore, as demand from emerging sectors such as the new energy industry including new energy vehicles, advanced electronics and energy storage, as well as AI driven by the expansion of computing power requirements, continues to grow rapidly, demand for our related products has expanded significantly. This shift in demand structure has driven overall sales growth during the Track Record Period. On the other hand, the performance, cyclicality and seasonality of downstream industries also exert influence on our sales. For example, we generally observe higher sales of copper tubes in the first half of the year, primarily due to the surging demand for cooling systems in the summer season, while copper foil sales tend to increase in the second half, primarily due to the consumption cycle of copper products in manufacturing activities of end markets. This fluctuation may result in inventory accumulation and heightened pressure on trade receivable collection in the event of a slowdown in downstream demand or cyclical fluctuations, thereby affecting capital turnover efficiency. We consider optimization of product portfolio, implementation of market diversification strategies and adoption of strategic inventory management policies to be essential for mitigating the impact of fluctuations in any single industry on our overall performance.

Our Global Expansion

Our operating results are closely linked to our international expansion strategy. Through sustained overseas development and localized operations, we have built a broad global presence and achieved stable growth in our overseas business. Our extensive global layout spans across the entire value chain, encompassing raw material procurement, production, sales and operations. We have established localized production facilities, sales and service networks, and supply chain, which helps us realize localized operations and maintain high operational efficiency. We plan to continue strengthening and expanding our global presence to diversify market exposure, mitigate concentration risks and enhance our ability to respond to regional market fluctuations. We believe this diversified global footprint positions us to better address customer needs across different markets and supports the sustainable growth of our business over the long term.

Our Research and Development Capabilities

We believe that R&D capabilities are critical to our long-term competitiveness and success. To better align with the rapid evolution of downstream markets, our R&D initiatives are integrated with our global expansion and emerging business strategies. During the Track Record Period, we proactively allocated resources to frontier areas such as AI thermal management and copper foils for solid-state battery, reinforcing our product portfolio in copper foils for lithium batteries and PCBs products, as well as copper-processed products for AI applications, enabling us to respond swiftly to dynamic market trends and emerging customer needs and secure early-mover advantages in high-growth sectors. Furthermore, R&D also plays a pivotal role in improving production efficiency and optimizing cost management. During the Track Record Period, we strategically focused on production equipment R&D, high-efficiency thermal materials, high-precision conductive materials and advanced alloy development to achieve process optimization and higher levels of automation and resource utilization. These advancements are expected to reduce unit production costs, enhance capacity efficiency and strengthen our competitive edge in a cost-sensitive market. We expect our ability to choose the optimal direction for R&D with great potential to address evolving market demand and manufacturing efficiency targets will have a material impact on our overall operational performance and cost structure.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are relevant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Our significant accounting policies, estimates, assumptions and judgments are set forth in Notes 4 and 46 of Appendix I to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets out a summary of our results of operations for the years/periods indicated:

Consolidated statements of profit or loss

	Year ended December 31,			Five months ended May 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue	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)
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

	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*
Finance costs	(567,792)	(717,837)	(711,954)	(296,269)	(311,977)
Finance costs, net	(534,719)	(695,367)	(680,443)	(285,193)	(305,918)
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

Consolidated statements of comprehensive income

	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*
Profit for the year/period	**1,169,462**	**623,910**	**1,009,969**	**374,139**	**554,900**
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss, net of tax:					
– Changes arising from remeasurement of defined benefit plan, net of tax	(9,477)	958	7,650	–	969
– Changes in fair value of equity instruments at fair value through other comprehensive income	–	168,300	–	–	(22,831)
Items that may be reclassified to profit or loss in subsequent periods, net of tax:					
– Share of other comprehensive income of associates	987	9,491	(14,237)	(8,007)	2,687
– Exchange differences on translation of foreign operations	140,081	(12,441)	(137,189)	23,218	(254,024)
Other comprehensive income for the year/period, net of tax	**131,591**	**166,308**	**(143,776)**	**15,211**	**(273,199)**
Attributable to:					
– Owners of the Company	131,591	166,308	(143,776)	15,211	(273,199)
– Non-controlling interests	–	–	–	–	–
Total comprehensive income for the year/period	**1,301,053**	**790,218**	**866,193**	**389,350**	**281,701**
Attributable to:					
– Owners of the Company	1,257,140	882,124	817,863	413,265	132,076
– Non-controlling interests	43,913	(91,906)	48,330	(23,915)	149,625
	1,301,053	**790,218**	**866,193**	**389,350**	**281,701**

Revenue

A majority of our revenue was from sale of goods. Our revenue attributable to distributorship accounted for less than 3% in each year/period of 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* (*Unaudited*)	*%*	*RMB'000*	*%*
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.

Revenue from Sales of Goods by Business Line

During the Track Record Period, our revenue mainly generated from (i) the sales of goods, including copper processed products for HVAC and industrial applications, copper foils for lithium batteries and PCBs, copper-processed products for AI applications, copper trading activities and others, and (ii) other revenue, representing the interest income from a subsidiary and our lease incomes. See "Business — Our Products." We primarily generate revenue from copper-processed products for HVAC and industrial applications. 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 year/period indicated:

	Year ended December 31,						Five months ended May 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*Unaudited*)	*%*	*RMB'000*	*%*
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.

Revenue from Sales of Goods by Geographic Region

During the Track Record Period, we generated revenue from China and overseas markets. The following table sets out our revenue from sales of goods breakdown by geographic region 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)			
China	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**

Cost of Revenue

During the Track Record Period, our cost of revenue primarily consisted of raw materials. The following table sets out a breakdown of our cost of revenue by nature in absolute amount and as percentage of our total cost of revenue 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)			
Raw materials	70,071,123	96.5	81,270,336	96.0	76,272,184	95.2	31,780,087	94.9	36,902,203	95.3
Employee benefit expenses	896,513	1.2	1,051,983	1.2	1,078,106	1.3	470,634	1.4	493,106	1.3
Depreciation and amortization	468,126	0.6	749,541	0.9	826,883	1.0	340,405	1.0	356,066	0.9
Other expenses[(1)]	1,183,841	1.7	1,495,261	1.8	1,945,962	2.4	888,478	2.7	923,630	2.4
Impairment losses[(2)]	21,929	–	71,799	0.1	48,992	0.1	5,090	–	32,476	0.1
Total	**72,641,532**	**100.0**	**84,638,920**	**100.0**	**80,172,127**	**100.0**	**33,484,694**	**100.0**	**38,707,481**	**100.0**

Notes:

(1) Other expenses primarily include energy, auxiliary materials and other manufacturing costs incurred during the production process, as well as transportation expenses.

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

Gross Profit and Gross Profit Margin

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

	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*	*%*
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.

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.

General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee benefits expenses, mainly representing salaries, bonuses and other benefits relating to our administrating staff, (ii) taxes and surcharges, (iii) professional service fees, mainly representing consulting services, including legal advisory and audit services, and (iv) depreciation and amortization, mainly representing the allocation of the cost of office assets over their useful life. The following table sets out a breakdown of our general and administrative expenses in absolute amount and as percentage of our total general and administrative expenses 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 (Unaudited)*	*%*	*RMB'000*	*%*
Employee benefits expenses	497,524	52.7	633,688	52.4	645,061	51.2	298,483	54.6	409,676	59.3
Taxes and surcharges	124,494	13.2	138,348	11.4	168,421	13.3	61,362	11.2	72,585	10.5
Professional service fee	70,429	7.4	115,320	9.5	109,457	8.7	44,475	8.1	46,541	6.7
Depreciation and amortization	67,440	7.1	84,048	7.0	100,993	8.0	41,752	7.6	45,696	6.6
Office expenses	63,658	6.7	98,638	8.2	100,173	7.9	39,447	7.2	48,536	7.0
Handling fee	26,923	2.8	31,576	2.6	32,083	2.5	17,105	3.1	15,439	2.2
Traveling expenses	15,058	1.6	18,285	1.5	15,356	1.2	6,930	1.3	8,394	1.2
Rental expenses	13,253	1.4	10,461	0.9	15,035	1.2	8,375	1.5	6,694	1.0
[**REDACTED**]	–	–	–	–	496	–	–	–	1,598	0.2
Others[(1)]	67,161	7.1	78,709	6.5	75,405	6.0	29,759	5.4	36,622	5.3
Total	**945,940**	**100.0**	**1,209,073**	**100.0**	**1,262,480**	**100.0**	**547,688**	**100.0**	**691,781**	**100.0**

Note (1): Others primarily consisted of property management fees, utilities expenses and business development fees.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee benefits expenses, mainly representing salaries, bonuses and other benefits relating to our sales and marketing staff, (ii) sales commissions (iii) business development expenses, mainly representing costs incurred for client-facing activities, and (iv) traveling expenses. The following table sets out a breakdown of our selling and marketing expenses in absolute amounts and as percentage of our total selling and marketing expenses 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 (Unaudited)*	*%*	*RMB'000*	*%*
Employee benefits expenses	130,824	62.2	153,144	63.5	162,006	57.2	69,969	58.2	70,979	56.4
Sales commissions	26,515	12.6	29,379	12.2	45,245	16.0	16,541	13.8	20,003	15.9
Business development expenses	10,884	5.2	14,788	6.1	17,382	6.1	8,330	6.9	8,411	6.7
Traveling expenses	8,850	4.2	11,510	4.8	11,016	3.9	4,499	3.7	4,661	3.7
Office expenses	3,378	1.6	7,540	3.1	10,311	3.6	5,263	4.4	3,779	3.0
Warehouse expenses	2,557	1.2	5,065	2.1	5,382	1.9	2,485	2.1	2,723	2.2
Others[(1)]	27,228	13.0	19,588	8.2	32,134	11.3	13,113	10.9	15,254	12.1
Total	**210,236**	**100.0**	**241,014**	**100.0**	**283,476**	**100.0**	**120,200**	**100.0**	**125,810**	**100.0**

Note (1): Others primarily consisted of depreciation and amortization and material expenses.

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee benefits expenses, mainly representing salaries, bonuses and other benefits relating to our research and development staff, and (ii) material and power expenses, mainly representing the costs of materials and power directly used for research and development. The following table sets out a breakdown of our research and development expenses in absolute amount and as percentage of our total research and development expenses 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 (Unaudited)*	*%*	*RMB'000*	*%*
Employee benefits expenses	78,204	42.6	62,647	44.7	68,751	47.3	25,909	47.6	26,490	39.4
Material and power expenses	82,279	44.8	66,749	47.6	58,474	40.3	22,392	41.2	35,259	52.4
Others[(1)]	23,073	12.6	10,859	7.7	17,993	12.4	6,099	11.2	5,500	8.2
Total	**183,556**	**100.0**	**140,255**	**100.0**	**145,218**	**100.0**	**54,400**	**100.0**	**67,249**	**100.0**

Note (1): Others primarily include depreciation and amortization.

Net Impairment Credit or Losses on Financial Assets

Our net impairment credit/losses on financial assets are primarily related to trade and notes receivables, trade and notes receivables at FVOCI, loans receivables and other receivables. We had net impairment credit on financial assets of RMB8.3 million in 2023 and net impairment losses on financial assets of RMB77.7 million, RMB31.0 million, RMB26.9 million and RMB51.9 million in 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. The impairment losses recognized in 2024, 2025 and the five months ended May 31, 2025 and 2026 primarily represent the expected credit losses on trade receivables and loans receivables.

Other Income

During the Track Record Period, our other income primarily consisted of (i) government grants, primarily representing subsidies provided by local governments to support our daily operating activities, and (ii) interest income, primarily representing interest earned on our term deposits classified as financial assets at amortized cost. Certain government grants received by us are subject to specific conditions, such as project completion progress, which have been satisfied. A portion of the government grants are non-recurring in nature or subject to periodic review and renewal by the relevant authorities. Furthermore, the availability, scope and amount of government grants are subject to local governmental policies and may be updated from time to time. We expect to continue undertaking research and development, production and financing activities in the ordinary course of business, which may qualify us for such government grants or other government incentivites. The following table sets out a breakdown of our other income 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 (Unaudited)*	*RMB'000*
Government grants	140,295	164,272	227,463	57,212	47,357
Interest income	164,789	111,381	99,716	30,301	30,450
Exception and additional deduction for VAT	1,237	12,492	(7,534)	927	59,000
Dividend income	–	11,210	–	–	–
Others	380	511	810	749	743
Total	**306,701**	**299,866**	**320,455**	**89,189**	**137,550**

Other Losses or Gains, Net

During the Track Record Period, our other losses or gains primarily consisted of (i) net losses on disposal of financial instruments, mainly representing realized gains or losses from the settlement of foreign exchange contracts upon closing, (ii) net foreign exchange differences, mainly representing exchange differences excluding those related to foreign currency borrowings, see "— Financial Risk Disclosure — Foreign Exchange Risk," (iii) loss on disposal of trade receivables financing, mainly representing interest expenses on receivables financing recognized upon discounting, and (iv) fair value changes on derivative financial instruments primarily representing floating gains or losses on foreign exchange contracts during the respective years/periods. The following table sets out a breakdown of our other losses or gains 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 (Unaudited)*	*RMB'000*
Net losses on disposal of financial instruments	(308,672)	(63,774)	(27,336)	(12,008)	91,557

	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*
Fair value changes on derivative financial instruments	29,551	60,058	(48,049)	(70,690)	106,260
Net foreign exchange differences	109,465	(174,821)	297,775	149,672	(81,964)
Net gains/(losses) on disposal of property, plant and equipment and other non-current assets	(16,475)	2,841	(25,126)	271	(2,583)
Loss on disposal of trade and notes receivables	(92,628)	(155,232)	(110,056)	(51,539)	(58,515)
Trade payables written-off	118	34,527	2,763	746	56
Fines, penalties and liquidated damages income	6,629	15,553	17,042	14,285	2,599
Others	4,054	(681)	(9,996)	(578)	749
	(267,958)	**(281,529)**	**97,017**	**30,159**	**58,159**

Finance Costs, Net

Our finance costs, net mainly consisted of (i) interest expenses on borrowings, and (ii) net exchange gain or losses on foreign currency borrowings. See "— Indebtedness — Borrowings." The following table sets out a breakdown of our finance costs, net 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 (Unaudited)*	*RMB'000*
Finance income:					
Interest income from financial assets held for cash management purposes	33,073	22,470	31,511	11,076	6,059
Finance costs:					
Interest expenses on borrowings	(688,084)	(693,362)	(677,423)	(302,079)	(279,231)
Interest expenses on lease liabilities	(4,976)	(4,178)	(4,709)	(1,798)	(1,675)
Net exchange (losses)/gains on foreign currency borrowings	(24,387)	(33,245)	(54,102)	2,376	(44,040)
Others	(2,380)	(1,361)	(1,849)	(44)	25
Less: capitalized finance costs	152,035	14,309	26,129	5,276	12,944
Finance costs total	**(567,792)**	**(717,837)**	**(711,954)**	**(296,269)**	**(311,977)**
Finance costs, net	**(534,719)**	**(695,367)**	**(680,443)**	**(285,193)**	**(305,918)**

Share of Profit of Investments Accounted for Using the Equity Method

We recorded share of profit or loss of investments accounted for using the equity method of RMB117.1 million, RMB112.9 million, RMB91.7 million, RMB33.6 million and RMB32.5 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Our share of profits and losses of investments accounted for using the equity method primarily relates to our investments in our associates, see "— Discussion of Certain Key Balance Sheet Items — Investments in Associates" and Note 14 of Appendix I to this document.

Income Tax Expenses or Credit

We recorded income tax expense of RMB212.3 million, RMB47.1 million, RMB231.1 million, RMB80.0 million and RMB192.8 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. During the Track Record Period, our income tax expenses or credit consisted of the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax. See Note 11 of Appendix I to this document. During the Track Record Period and up to the Latest Practicable Date, we had made all required tax filings with the relevant tax authorities, and we were not aware of any outstanding or potential disputes with such tax authorities.

Profit for the Year

As a result of the foregoing, we recorded net profit of RMB1,169.5 million, RMB623.9 million, RMB1,010.0 million, RMB374.1 million and RMB554.9 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Five Months ended May 31, 2026 Compared with Five Months ended May 31, 2025

Revenue

Our revenue increased by 16.2% from RMB34,820.3 million in the five months ended May 31, 2025 to RMB40,469.7 million in the five months ended May 31, 2026.

Copper-processed products for HVAC and industrial applications. Our revenue generated from copper processed products for HVAC and industrial applications increased by 21.4% from RMB26,409.1 million in the five months ended May 31, 2025 to RMB32,056.9 million in the five months ended May 31, 2026, primarily attributable to a higher copper price in the period.

Copper foils for lithium batteries and PCBs. Our revenue generated from copper foils for lithium batteries and PCBs increased significantly from RMB1,836.9 million in the five months ended May 31, 2025 to RMB3,909.6 million in the five months ended May 31, 2026, primarily attributable to increased product sales volume driven by growing downstream demand, and supplemented by the ramp-up of our copper foil production bases (including the Lanzhou Production Base and Indonesia Production Base) that enables us to better address such demand. In particular, our sales volume for copper foils for lithium batteries and PCBs rose from 22.0 thousand tons in the five months ended May 31, 2025 to 37.8 thousand tons in the five months ended May 31, 2026. This increase was further supported by higher copper price and processing fee premiums in the period.

Copper-processed products for AI applications. Our revenue generated from copper processed products for AI applications increased significantly from RMB147.1 million in the five months ended May 31, 2025 to RMB307.8 million in the five months ended May 31, 2026, primarily attributable to the growing demand from related AI applications, which drove higher sales volume and increased processing fee premiums for advanced copper-processed products. As

downstream customers continued to raise their requirements for performance specifications, our continuous R&D and product development efforts enabled us to meet such evolving technical requirements and capture the resulting market opportunities. In particular, our sales volume for copper-processed products for AI applications rose from 2.0 thousand tons in the five months ended May 31, 2025 to 3.3 thousand tons in the five months ended May 31, 2026. This increase was further supported by higher copper price in the period.

In addition, our revenue generated from copper trade activities decreased by 35.9% from RMB6,227.0 million in the five months ended May 31, 2025 to RMB3,990.5 million in the five months ended May 31, 2026, primarily attributable to the adjustment in business portfolio with incremental downsizing of the copper trade activities to align with our core operational needs and enhanced working capital efficiency.

Cost of Revenue

Our cost of revenue increased by 15.6% from RMB33,484.7 million in the five months ended May 31, 2025 to RMB38,707.5 million in the five months ended May 31, 2026, which was generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 31.9% from RMB1,335.6 million in the five months ended May 31, 2025 to RMB1,762.2 million in the five months ended May 31, 2026, and our gross profit margin increased from 3.8% in the five months ended May 31, 2025 to 4.4% in the five months ended May 31, 2026, primarily because the gross loss margin for copper foils for lithium batteries and PCBs changed to a gross profit margin in the five months ended May 31, 2026.

Copper-processed products for HVAC and industrial applications. Our gross profit generated from copper processed products for HVAC and industrial applications increased by 10.8% from RMB1,220.8 million in the five months ended May 31, 2025 to RMB1,352.9 million in the five months ended May 31, 2026, and our gross profit margin from copper processed products for HVAC and industrial applications slightly decreased from 4.6% in the five months ended May 31, 2025 to 4.2% in the five months ended May 31, 2026, primarily attributable to the higher raw material prices, particularly copper price during the period, coupled with our strategic selling price adjustments for certain key customers to strengthen our market presence, partially offset by increased contribution from our overseas production bases (such as Texas Production Site) following production ramp-up, as well as increased sales of advanced products commanding higher processing fee premiums.

Copper foils for lithium batteries and PCBs. Our gross loss due to copper foils for lithium batteries and PCBs of RMB9.0 million in the five months ended May 31, 2025 changed to gross profit of RMB314.5 million in the five months ended May 31, 2026, and our gross loss margin from copper foils for lithium batteries and PCBs of 0.5% in the five months ended May 31, 2025 changed to gross profit margin of 8.0% in the five months ended May 31, 2026, primarily attributable to the continued ramp-up of our copper foil production facilities, which reduced unit production cost through enhanced economies of scale, improved product yield and production efficiency, while also enabling us to further optimize our product mix.

Copper-processed products for AI applications. Our gross profit generated from copper processed products for AI applications increased significantly from RMB17.7 million in the five months ended May 31, 2025 to RMB38.5 million in the five months ended May 31, 2026, and our gross profit margin from copper processed products for AI applications remained relatively stable at 12.0% in the five months ended May 31, 2025 and 12.5% in the five months ended May 31, 2026.

In addition, our gross profit generated from copper trade activities decreased by 37.7% from RMB44.1 million in the five months ended May 31, 2025 to RMB27.5 million in the five months ended May 31, 2026, and our gross profit margin from copper trade activities remained stable at 0.7% in the five months ended May 31, 2025 and 2026.

General and Administrative Expenses

Our general and administrative expenses increased by 26.3% from RMB547.7 million in the five months ended May 31, 2025 to RMB691.8 million in the five months ended May 31, 2026, primarily attributable to (i) an increase in employee benefits expenses, reflecting costs associated with statutory entitlements in connection with the workforce optimization of our subsidiaries in the EU, as well as our continued recruitment of and enhanced compensation packages for skilled personnel to support our newly established or expanded production facilities; (ii) an increase in taxes and surcharges, mainly reflecting an increase in stamp duty expenses during the period; and (iii) an increase in office expenses following the implementation of digitalization initiatives across several production sites.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB120.2 million and the five months ended May 31, 2025 to RMB125.8 million in the five months ended May 31, 2026.

Research and Development Expenses

Our research and development expenses increased by 23.6% from RMB54.4 million in the five months ended May 31, 2025 to RMB67.2 million in the five months ended May 31, 2026, primarily attributable to an increase in material and power associated with materials the R&D activities for the development of high-performance copper-processed products.

Net Impairment Losses on Financial Asset

Our net impairment losses on financial asset increased significantly from RMB26.9 million in the five months ended May 31, 2025 to RMB51.9 million in the five months ended May 31, 2026, primarily attributable to an increase in loss allowances for trade receivables, reflecting higher outstanding trade receivable balances driven by higher sales volumes and copper price. See "— Discussion of Certain Key Balance Sheet Items — Trade and Notes Receivables" and Note 3.2 of Appendix I to this document.

Other Income

Our other income increased by 54.2% from RMB89.2 million in the five months ended May 31, 2025 to RMB137.6 million in the five months ended May 31, 2026, primarily attributable to an increase in exception and additional deduction for VAT, mainly arising from the additional VAT deduction policy enjoyed by our subsidiary, Gansu Hailing, as an advanced manufacturing enterprise during the period.

Other Gains, net

Our other gains, net increased significantly from RMB30.2 million in the five months ended May 31, 2025 to RMB58.2 million in the five months ended May 31, 2026, primarily attributable to a change from net losses on disposal of financial instruments to net gains from disposal of financial instruments and gains from fair value changes on derivative financial instruments, reflecting gains on our forward exchange agreements and other hedging instruments under our foreign exchange hedging strategies, which was partially offset by losses from foreign exchange differences arising from movements in exchange rates between Renminbi and other currencies used in our operations. These movements primarily reflected the combined effects of exchange rate fluctuations and our foreign exchange hedging arrangements.

Finance Costs, Net

Our net finance costs increased by 7.3% from RMB285.2 million in the five months ended May 31, 2025 to RMB305.9 million in the five months ended May 31, 2026, primarily attributable to a change from exchange gains on foreign currency borrowings to exchange losses on foreign currency borrowings, as a result of movements in exchange rates between Renminbi and other currencies used in our operations, which was partially offset by a decrease in interest expenses on borrowings, see "— Indebtedness — Borrowings."

Share of Profit of Investments accounted for Using the Equity Method

Our share of profit or loss of investments accounted for using the equity method remained relatively stable at RMB33.6 million in the five months ended May 31, 2025 and RMB32.5 million in the five months ended May 31, 2026.

Income Tax Expense

Our income tax expenses increased significantly from RMB80.0 million in the five months ended May 31, 2025 to RMB192.8 million in the five months ended May 31, 2026, primarily attributable to the increase in our profit before tax, coupled with a higher effective tax rate during the period driven by an increase in unrecognized deferred tax assets.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 48.3% from RMB374.1 million in the five months ended May 31, 2025 to RMB554.9 million in the five months ended May 31, 2026.

Year ended December 31, 2025 Compared with the Year Ended December 31, 2024

Revenue

Our total revenue remained relatively stable at RMB87,542.1 million in 2024 and RMB83,306.7 million in 2025.

Copper-processed products for HVAC and industrial applications. Our revenue generated from copper processed products for HVAC and industrial applications remained relatively stable at RMB58,698.6 million in 2024 and RMB60,083.7 million in 2025. Specifically, 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 attributable to the global economic downturns and inflation, which resulted in decrease in the market demand for our downstream HVAC and industrial applications.

Copper foils for lithium batteries and PCBs. Our revenue generated from copper foils for lithium batteries and PCBs significantly increased from RMB2,860.7 million in 2024 to RMB5,792.1 million in 2025, primarily attributable to a significant increase in product sales volume driven by the strong growth in downstream demand from lithium battery applications. In response to this demand, we expanded production following the ramp-up of our copper foil production bases (including the Lanzhou Production Base and Indonesia Production Base). In particular, our sales volume for copper foils for lithium batteries and PCBs rose from 36.8 thousand tons in 2024 to 67.6 thousands tons in 2025. This increase was further supported by higher copper price and processing fee premiums in the same period.

Copper-processed products for AI applications. Our revenue generated from copper-processed products for AI applications significantly increased from RMB235.9 million in 2024 to RMB591.8 million in 2025, primarily attributable to a significant growth in product sales volume, as our R&D development enabled us to penetrate new markets, which in turn positioning us to capture the strong downstream demand arising from the advancement of the AI industry. In particular, our sales volume for copper-processed products for AI applications rose from 3.2 thousand tons in 2024 to 7.3 thousand tons in 2025. This increase was supported further by higher copper price as well as rising processing fee premiums as downstream customers continued to raise their requirements for performance specifications and processing precision.

In addition, our revenue generated from copper trade activities decreased from RMB25,133.3 million in 2024 to RMB16,253.9 million in 2025, primarily attributable to the adjustment in business portfolio with incremental downsizing of the copper trade activities to align with our core operational needs and enhanced working capital efficiency.

Cost of Revenue

Our cost of revenue decreased by 5.3% from RMB84,638.9 million in 2024 to RMB80,172.1 million in 2025, primarily attributable to a decrease in the cost of raw materials, mainly driven by the adjustment in business portfolio with incremental downsizing of the copper trade activities to align with our core operational needs.

Gross Profit/Loss and Gross Profit/Loss Margin

Our gross profit increased by 8.0% from RMB2,903.2 million in 2024 to RMB3,134.6 million in 2025, and our gross profit margin remained relatively stable at 3.3% in 2024 and 3.8% in 2025.

Copper-processed products for HVAC and industrial applications. Our gross profit generated from copper processed products for HVAC and industrial applications decreased by 6.5% from RMB2,739.3 million in 2024 to RMB2,561.6 million in 2025, and our gross profit margin from copper processed products for HVAC and industrial applications slightly decreased from 4.7% in 2024 and 4.3% in 2025, primarily attributable to our adoption of volume-based pricing strategies for strategic customers to strengthen our global customer base, increase market share and optimize our key customer mix, which resulted in adjustments of processing margins, coupled with the increase in copper price in the same period.

Copper foils for lithium batteries and PCBs. Our gross loss of RMB185.7 million incurred from copper foils for lithium batteries and PCBs in 2024 changed to gross profit of RMB215.1 million in 2025, and our gross loss margin of 6.5% from copper foils for lithium batteries and PCBs in 2024 changed to gross profit margin of 3.7% in 2025, primarily attributable to (i) our continued product mix optimization, with a higher proportion of sales contributed by higher-value-added copper foil products with more advanced technical specifications, which drove an increase in the overall average selling price; and (ii) the gradual ramp-up of our expanded production capacity, which enhanced economies of scale, improved production yield, equipment utilization and operational efficiency, and thereby reduced fixed manufacturing costs per unit.

Copper-processed products for AI applications. Our gross profit generated from copper-processed products for AI applications significantly increased from RMB26.1 million in 2024 to RMB80.0 million in 2025, and our gross profit margin from copper-processed products for AI applications increased from 11.1% in 2024 to 13.5% in 2025, primarily attributable to (i) our continued penetration into higher-margin markets, particularly more mature overseas AI markets, which drove both an optimized customer mix and increased sales to existing high-margin customers; (ii) demand growth and supply shortage in emerging AI markets, which enabled us to optimize our product mix and increase the proportion of higher value-added products in our overall sales, and (iii) our production expansion, which improved cost efficiency through fixed-cost dilution.

In addition, our gross profit generated from copper trade activities decreased from RMB177.0 million in 2024 to RMB159.8 million in 2025, and our gross profit margin remained relatively stable at 0.7% in 2024 and 1.0% in 2025.

General and Administrative Expenses

Our general and administrative expenses remained relatively stable at RMB1,209.1 million in 2024 and RMB1,262.5 million in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 17.6% from RMB241.0 million in 2024 to RMB283.5 million in 2025, primarily attributable to (i) an increase in employee benefits expenses following our ongoing recruitment of skilled talent and optimization of the structure of our sales and marketing team as we expanded in existing markets and entered new markets, and (ii) an increase in sales commissions and business development engagement expenses as we continued to attract higher sales volumes.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB140.3 million in 2024 and RMB145.2 million in 2025.

Net Impairment Losses on Financial Asset

Our net impairment losses on financial asset decreased by 60.1% from RMB77.7 million in 2024 to RMB31.0 million in 2025, primarily attributable to the decrease in overall scale of loans and advances to customers, and the non-recurrence of the relatively higher impairment provisions and portfolio write-offs recorded in the prior-year period. See "— Discussion of Certain Key Balance Sheet Items — Loans Receivables."

Other Income

Our other income increased by 6.9% from RMB299.9 million in 2024 and RMB320.5 million in 2025, primarily attributable to an increase in government grants, mainly represents incentives for our production and R&D activities.

Other Losses and Gains, Net

Our other losses of 281.5 million in 2024 changed to other gains of RMB97.0 million in 2025, primarily attributable to (i) a decrease in loss on disposal of trade receivables resulting from a decline in discount rates, (ii) net gains from foreign exchange differences, as well as a decrease in net losses on disposal of financial instruments; this improvement mainly reflected the reversal of overall foreign exchange market trends between 2024 and 2025. This increase was partially offset by losses from fair value changes on derivative financial instruments representing movements in the fair value of our forward exchange agreements and other instruments primarily driven by the performance of hedging instruments under our foreign-exchange hedging strategies.

Finance Costs, Net

Our net finance costs remained relatively stable at RMB695.4 million in 2024 and RMB680.4 million in 2025.

Share of Profit or Loss of Investments accounted for Using the Equity Method

Our share of profit or loss of investments accounted for using the equity method decreased by 18.8% from RMB112.9 million in 2024 to RMB91.7 million in 2025, primarily attributable to the decreased profits in our associates, which correspondingly led to a decline in our equity-accounted investment income.

Income Tax Expense

We had income tax expenses of RMB47.1 million in 2024 and RMB231.1 million in 2025, primarily attributable to (i) the expiration of certain tax-preferential policies applicable to some of our subsidiaries, and (ii) the recognition of deferred tax assets on deductible tax losses of certain subsidiaries as of December 31, 2024.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 61.9% from RMB623.9 million in 2024 to RMB1,010.0 million in 2025.

Year ended December 31, 2024 Compared with the Year Ended December 31, 2023

Revenue

Our total revenue increased by 15.6% from RMB75,733.6 million in 2023 to RMB87,542.1 million in 2024, primarily attributable to the increase in the revenue from sale of goods.

Copper-processed products for HVAC and industrial applications. Our revenue generated from copper-processed products for HVAC and industrial applications increased by 22.7% from RMB47,851.2 million in 2023 to RMB58,698.6 million in 2024, primarily attributable to (i) a stronger downstream home appliance demand, and (ii) our expansion in overseas markets, which collectively supported continued growth in demand for copper-processed products in HVAC and industrial applications. In particular, our sales volume of copper-processed products for HVAC and industrial applications rose from 839.9 thousand tons in 2023 to 966.1 thousand tons in 2024. This increase was supported further by higher copper prices.

Copper foils for lithium batteries and PCBs. Our revenue generated from copper foils for lithium batteries and PCBs significantly increased by 289.3% from RMB734.8 million in 2023 to RMB2,860.7 million in 2024, primarily attributable to the strong growth in downstream demand from lithium battery applications and an expanded customer bases. In response to this demand, we released new production capacity for copper foil products following the ramp-up of our bases (including the Lanzhou Production Base and Indonesia Production Base). In particular, our sales volume for copper foils for lithium batteries and PCBs rose from 11.0 thousand tons in 2023 to 36.8 thousand tons in 2024. This increase was supported further by higher copper price in the same period.

Copper-processed products for AI applications. Our revenue generated from copper-processed products for AI applications increased by 87.2% from RMB126.0 million in 2023 to RMB235.9 million in 2024, primarily attributable to a significant growth in product sales volume as our R&D development enabled us to penetrate new application scenarios and expand our customer base, which in turn positioning us to capture the strong downstream demand arising from the advancement of the AI industry. In particular, our sales volume for copper-processed products for AI applications rose from 1.9 thousand tons in 2023 to 3.2 thousand tons in 2024. This increase was supported further by higher copper price in the same period.

In addition, our revenue generated from copper trade activities remained relatively stable at RMB26,464.7 million in 2023 and RMB25,133.3 million in 2024.

Cost of Revenue

Our cost of revenue increased by 16.5% from RMB72,641.5 million in 2023 to RMB84,638.9 million in 2024, primarily attributable to the increase in the cost of raw materials which was driven by higher sales volume and rising raw material costs.

Gross Profit/Loss and Gross Profit/Loss Margin

As a result of the foregoing, our gross profit decreased by 6.1% from RMB3,092.0 million in 2023 to RMB2,903.2 million in 2024, and our gross profit margin decreased from 4.1% in 2023 to 3.3% in 2024, primarily attributable to the decrease in the gross profit margin from copper processed products for HVAC and industrial applications, which was partially offset by the decrease in gross loss margin from copper foils for lithium batteries and PCBs. The increase in copper price during the period also contributed to the decrease in gross profit margin from certain product offerings.

Copper-processed products for HVAC and industrial applications. Our gross profit generated from copper-processed products for HVAC and industrial applications remained relatively stable at RMB2,801.9 million in 2023 and RMB2,739.3 million in 2024. Our gross profit margin from copper-processed products for HVAC and industrial applications decreased from 5.9% in 2023 to 4.7% in 2024, primarily attributable to an increase in raw materials costs including copper price, coupled with a shift in our customer mix coupled with adjusted selling price to certain leading customer to secure our market presence.

Copper foils for lithium batteries and PCBs. Our gross loss generated from copper foils for lithium batteries and PCBs remained relatively stable at RMB177.8 million in 2023 and RMB185.7 million in 2024, and our gross loss margin from copper foils for lithium batteries and PCBs decreased from 24.3% in 2023 to 6.5% in 2024, primarily attributable to reduced unit production costs resulting from economies of scale brought by the expansion of our copper foil production lines, which improved efficiency and enhanced yield, thereby partially offsetting the adverse impact of rising copper price. We generated gross loss from copper foils for lithium batteries and PCBs in 2023 and 2024, primarily because our copper foil production bases are at early ramp-up stage, during which production capacity utilization and yield rates were still in the progress of gradual improvement, and unit production costs remained relatively high. As our copper foil production lines scaled up and economies of scale progressively materialized, the unit production costs for copper foils for lithium batteries and PCBs declined, and production efficiency and yield was further improved. In addition, our product mix was further optimized with a higher proportion of advanced products. As a result, the gross loss margin of copper foils for lithium batteries and PCBs decreased significantly from 24.3% in 2023 to 6.5% in 2024, and turned profitable in 2025.

Copper-processed products for AI applications. Our gross profit generated from copper-processed products for AI applications increased from RMB13.4 million in 2023 to RMB26.1 million in 2024, and our gross profit margin from copper-processed products for AI applications remained relatively stable at 10.6% in 2023 and 11.1% in 2024. As (i) advanced products accounted for a higher proportion of our copper-processed products for AI applications and generally carried higher gross profit margins, benefiting from pricing premiums supported by higher technical requirements and application-specific features, and (ii) our unit production costs decreased mildly, the adverse impact of rising copper price was partially offset.

In addition, our gross profit generated from copper trade activities decreased from RMB241.9 million in 2023 to RMB177.0 million in 2024, and our gross profit margin remained relatively stable at 0.9% in 2023 and 0.7% in 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 27.8% from RMB945.9 million in 2023 to RMB1,209.1 million in 2024, primarily attributable to (i) an increase in employee benefits expenses and office expenses driven by the commencement of operations at our new sites including the production sites in Indonesia and the United States, as well as the site under construction in Morocco, which required additional management personnel to support operations, as well as the recruitment of high-caliber talent to optimize our workforce structure; and (ii) an increase in professional service fee incurred for a one-off legal advisory engagement for a trademark opposition and litigation proceeding which the parties involved agreed to dismiss with no damages or penalties involved.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 14.6% from RMB210.2 million in 2023 to RMB241.0 million in 2024, primarily attributable to (i) the increase in employee benefits expenses following our ongoing recruitment of skilled talent and optimization of the structure of our sales and marketing team as we expanded in existing markets and entered new markets, and (ii) the increase in sales commissions, business engagement expenses and travel expenses as we continued to attract higher sales volumes.

Research and Development Expenses

Our research and development expenses decreased by 23.6% from RMB183.6 million in 2023 to RMB140.3 million in the 2024, primarily attributable to (i) a decrease in material and power expenses as we shift from material-intensive trial production research to focused foundational theoretical research, reducing raw material consumption, and (ii) a decrease in employee benefits expenses reflecting our optimized R&D management for certain multi-function technical staff, balancing their time between production optimization and theoretical research to align with our strategic emphasis on high-tech and foundational research. The changes collectively illustrate our strategic shift from resource-driven to innovation-driven foundational R&D activities.

Net Impairment Credit or Losses on Financial Asset

Our net impairment credit or losses on financial asset transformed from net impairment credit of RMB8.3 million in 2023 to net impairment losses of RMB77.7 million in 2024, primarily attributable to the increased provision for loan receivables following an one-off non-recurring credit loss recognized on a prudent basis regarding management's updated assessment of recoverability, coupled with the increased provision for trade receivables in line with the growth in our sales volume. See "— Discussion of Certain Key Balance Sheet Items — Loans Receivables."

Other Income

Our other income remained relatively stable at RMB306.7 million in 2023 and RMB299.9 million in 2024.

Other Losses

Our other losses, net increased by 5.1% from RMB268.0 million in 2023 to RMB281.5 million in 2024, primarily attributable to (i) the losses from transfer in foreign exchange differences, which was partially offset by an increase in net losses on disposal of financial instruments, both of which were primarily driven by the performance of our hedging instruments amid foreign exchange rate fluctuations; and (ii) an increase in discount loss on receivables financing as we expanded our use of discounting in light of the relatively favorable discounting rates; we typically conduct such discounting on a non-recourse basis.

Finance Costs, Net

Our net finance costs increased by 30.0% from RMB534.7 million in 2023 to RMB695.4 million in 2024, primarily attributable to a reduction in capitalized interest on convertible bond-funded projects, as most of these projects were completed and transferred to fixed assets by the end of 2023.

Share of Profit and Loss of Investments accounted for Using the Equity Method

Our share of profit and loss of investments accounted for using the equity method remained relatively stable RMB117.1 million in 2023 and RMB112.9 million in 2024.

Income Tax Expense

Our income tax expense decreased by 77.8% from RMB212.3 million in 2023 to RMB47.1 million in 2024, primarily attributable (i) reduced profit of certain subsidiaries in this period; and (ii) an increased contribution to our overall profit from subsidiaries that are entitled to preferential tax treatments.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 46.6% from RMB1,169.5 million in 2023 to RMB623.9 million in 2024.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

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

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS				
Non-current assets				
Property, plant and equipment	10,489,338	11,125,938	11,221,106	11,488,014
Investment properties	248,363	260,883	254,638	161,179
Loan receivables	7,840	666	–	3,920
Right-of-use assets	955,818	1,099,493	1,090,569	1,048,304
Deferred tax assets	302,255	495,141	608,244	612,970
Intangible assets	380,070	368,845	380,841	383,304
Investments in associates	2,057,575	2,023,179	2,023,768	2,010,920
Equity investments at fair value through other comprehensive income	916,000	1,140,400	100,000	69,559
Other non-current assets	615,019	208,235	564,677	300,487
Total non-current assets	**15,972,278**	**16,722,780**	**16,243,843**	**16,078,657**
Current assets				
Cash and cash equivalents	5,103,349	4,010,530	3,435,887	2,738,811
Restricted cash and term deposits	2,618,144	2,425,482	2,534,885	1,340,970
Derivative financial instruments	31,351	153,919	69,505	99,958
Trade and notes receivables	5,670,001	8,244,089	9,414,690	12,900,962
Trade and notes receivables at fair value through other comprehensive income	1,071,509	1,287,484	916,427	1,717,362
Prepayments and other receivables	1,334,917	1,315,679	1,834,010	1,859,051
Inventories	7,087,091	8,755,132	11,791,919	14,897,918
Loans receivables	1,109,143	908,158	727,716	646,748
Other current assets	407,316	656,270	1,159,318	642,069
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**
LIABILITIES				
Current liabilities				
Borrowings	10,102,643	17,338,782	15,930,875	21,766,741
Contract liabilities	414,429	467,709	680,701	404,269
Rental and interest received in advance	2,908	5,387	4,710	4,240
Lease liabilities	33,462	32,709	33,493	28,178
Current income tax liabilities	184,539	171,887	189,458	168,694
Trade and notes payables	3,114,891	3,103,705	2,753,597	2,341,183
Accruals and other payables	693,735	626,333	675,976	1,016,493
Derivative financial instruments	66,573	129,094	902,666	130,585

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other current liabilities	154,895	158,999	135,626	154,166
Total current liabilities	**14,768,075**	**22,034,605**	**21,307,102**	**26,014,549**
Net current assets	**9,664,745**	**5,722,138**	**10,577,255**	**10,829,300**
Non-current liabilities				
Borrowings	8,188,692	4,855,671	6,651,342	6,803,866
Lease liabilities	59,326	33,071	46,668	35,568
Deferred tax liabilities	186,615	220,594	239,386	215,660
Deferred income	241,846	273,256	363,173	365,796
Accruals and other payables	121,834	114,720	112,721	109,545
Total non-current liabilities	**8,798,313**	**5,497,312**	**7,413,290**	**7,530,435**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) machinery, (ii) construction in progress, (iii) buildings, (iv) other equipment, and (v) solar power equipment. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Buildings	2,352,473	3,186,732	3,253,747	3,370,339
Machinery	4,805,093	6,199,651	6,042,893	5,863,806
Motor vehicles	7,167	12,621	17,579	19,030
Solar power equipment	110,765	104,640	99,400	103,662
Freehold lands	–	–	152,987	178,863
Other equipment	132,336	153,425	155,256	151,798
Construction in progress	3,080,890	1,468,300	1,496,654	1,797,676
Leasehold improvement	614	569	2,590	2,840
Total	**10,489,338**	**11,125,938**	**11,221,106**	**11,488,014**

Our property, plant and equipment increased by 6.1% from RMB10,489.3 million as of December 31, 2023 to RMB11,125.9 million as of December 31, 2024, primarily attributable to (i) an increase in machinery following the completion of certain construction projects and production line upgrades, with related production equipment transferred to fixed assets, and (ii) increase in buildings following the capitalization of construction projects for copper foil production sites, including the Indonesia Production Base and the Lanzhou Production Base projects. This increase in buildings was partially offset by a decrease in construction in progress as these projects were transferred to fixed assets and commenced depreciation. Our property, plant and equipment remained relatively stable at RMB11,125.9 million as of December 31, 2024 and RMB11,221.1 million as of December 31, 2025. Our property, plant and equipment remained relatively stable at RMB11,221.1 million as of December 31, 2025 and RMB11,488.0 million as of May 31, 2026.

Loans Receivables

Our loans receivables under non-current portion during the Track Record Period consisted of working capital loans offered to independent third-party small-scale borrowers such as self-employed business owners and small and micro-sized enterprises. These loans were typically

collateralized and structured with tenors of approximately one year. Our loans and advances under current portion during the Track Record Period consisted of interest on loans receivables to customers. As of December 31, 2023, 2024, 2025 and May 31, 2026, the credit loss allowances for loans receivables were RMB82.2 million, RMB79.6 million, RMB81.4 million and RMB80.9 million, respectively. See Note 3.2 of Appendix I to this document. The following table sets out the breakdown of our loans receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Loans receivables	8,000	680	–	4,000
Less: allowances for impairment losses	(160)	(14)	–	(80)
	7,840	**666**	**–**	**3,920**
Current				
Loans receivables	1,190,452	986,899	806,218	724,671
Interest on loans receivables	729	888	2,875	2,857
Less: allowances for impairment losses	(82,038)	(79,629)	(81,377)	(80,780)
	1,109,143	**908,158**	**727,716**	**646,748**
Total	**1,116,983**	**908,824**	**727,716**	**650,668**

The following table sets out our loans receivables by type of security as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Collateralized loans	1,000,112	887,291	733,830	690,450
Guaranteed loans	193,439	96,358	70,258	36,474
Unsecured loans	31	25	18	17
Accrued interest	4,870	3,905	2,112	1,730
	1,198,452	**987,579**	**806,218**	**728,671**
Interest on loans receivables	729	888	2,875	2,857
Less: allowances for impairment losses	(82,198)	(79,643)	(81,377)	(80,860)
	1,116,983	**908,824**	**727,716**	**650,668**

Our loans receivables to customers decreased from RMB1,117.0 million as of December 31, 2023 to RMB908.8 million as of December 31, 2024, RMB727.7 million as of December 31, 2025, and further decreased to RMB650.7 million as of May 31, 2026, primarily attributable to a decrease in loan receivables, mainly because we reduced loan scale to control risks and funding costs. We have proactively established a structured credit risk control framework for our loans and advances to customers, including (i) conducting preliminary document review, on-site due diligence and borrower assessment, obtaining approval from our credit committee and verifying approved credit limits and borrower information prior to loan disbursement; (ii) implementing ongoing risk management measures such as issuing reminders at least 15 days before loan maturity, arranging renewal assessments for existing customers and coordinating repayment or rollover arrangements where appropriate; and (iii) initiating legal actions in accordance with our credit risk policies if

repeated collection efforts are unsuccessful, to safeguard the quality and security of our credit assets. We will continue to adjust loan limits and strengthen portfolio management in line with our credit risk control policies to enhance the overall quality of our loan portfolio.

Right-of-use Assets

Our right-of-use assets during the Track Record Period consisted of (i) land use rights, and (ii) rights to leased buildings, mainly representing our production bases and office buildings. Our right-of-use assets increased by 15.0% from RMB955.8 million as of December 31, 2023 to RMB1,099.5 million as of December 31, 2024, primarily attributable to an increase in land use rights, mainly representing our newly acquired properties associated with the business operation of the Indonesia Production Base. Our right-of-use assets remained relatively stable at RMB1,099.5 million as of December 31, 2024 and RMB1,090.6 million as of December 31, 2025. Our right-of-use assets remained relatively stable at RMB1,090.6 million as of December 31, 2025 and RMB1,048.3 million as of May 31, 2026. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Land use rights	867,911	1,040,910	1,017,628	988,055
Buildings	87,907	58,583	72,941	60,249
Total	**955,818**	**1,099,493**	**1,090,569**	**1,048,304**

Intangible Assets

Our intangible assets primarily consisted of (i) goodwill, and (ii) software. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goodwill	326,122	268,870	229,499	228,391
Software	53,948	99,975	151,342	149,915
Patent technology	–	–	–	4,998
Total	**380,070**	**368,845**	**380,841**	**383,304**

Our intangible assets remained relatively stable at RMB380.1 million as of December 31, 2023, RMB368.8 million as of December 31, 2024, and RMB380.8 million as of December 31, 2025. Our intangible assets remained relatively stable at RMB380.8 million as of December 31, 2025 and RMB383.3 million as of May 31, 2026.

Impairment testing of goodwill

Impairment review on the goodwill of our Group have been conducted by the management as of December 31, 2023, 2024, 2025 and May 31, 2026, according to IAS 36 Impairment of assets. See Notes 18(b) and 18(c) of Appendix I to this document. The following table sets out the key assumptions for the cash-generating units ("CGU") or group of CGUs that have goodwill allocated to them:

Year ended December 31, 2023

CGUs	Revenue annual growth rate	Net profit margin	Perpetual annual growth rates	Pre-tax discount rates
Haibo Micro-credit	-8.94% to 0.97%	46.00% to 47.00%	1.00%	5.95%
HME	1.00% to 10.23%	1.92% to 2.46%	0.00%	12.07%
JMF	2.00% to 3.50%	1.95% to 2.04%	0.00%	11.56%
Chengdu Bede	2.00% to 7.19%	1.19% to 1.23%	0.00%	11.93%
Guangdong Alltop	-6.99% to 5.00%	2.21% to 2.25%	0.00%	11.98%
Thailand Hailiang	1.00% to 2.00%	3.20% to 3.32%	0.00%	14.50%

Year ended December 31, 2024

CGUs	Revenue annual growth rate	Net profit margin	Perpetual annual growth rates	Pre-tax discount rates
Haibo Micro-credit	-31.05% to -0.3%	50.74% to 53.68%	0.40%	7.18%
HME	0.00% to 7.20%	1.57% to 2.71%	0.00%	12.40%
JMF	-15.39% to 2.00%	2.05% to 2.08%	0.00%	11.47%
Chengdu Bede	2.13% to 7.63%	0.90% to 0.92%	0.00%	9.93%
Guangdong Alltop	-10.95% to 0.93%	1.90% to 2.01%	0.00%	10.34%
Thailand Hailiang	0.00% to 2.39%	3.33% to 3.36%	0.00%	14.83%

Year ended December 31, 2025

CGUs	Revenue annual growth rate	Net profit margin	Perpetual annual growth rates	Pre-tax discount rates
Haibo Micro-credit	-13.07% to 0.29%	53.65% to 57.75%	0.40%	7.08%
HME	-2.94% to 9.51%	0.96% to 2.93%	0.00%	14.74%
JMF	2.00% to 5.00%	2.21% to 2.23%	0.00%	12.56%
Chengdu Bede	1.00% to 4.00%	0.73% to 0.82%	0.00%	12.46%
Guangdong Alltop	1.00% to 4.27%	1.83% to 1.85%	0.00%	12.97%
Thailand Hailiang	-1.49% to 3.59%	2.18% to 2.21%	0.00%	16.67%

Five months ended May 31, 2026

CGUs	Revenue annual growth rate	Net profit margin	Perpetual annual growth rates	Pre-tax discount rates
Haibo Micro-credit	-13.48% to 0.02%	55.46% to 58.78%	0.40%	6.74%
HME	-1.55% to 7.96%	0.09% to 2.90%	0.00%	14.92%
JMF	2.00% to 6.00%	2.22% to 2.62%	0.00%	12.33%
Chengdu Bede	1.00% to 2.99%	0.45% to 0.79%	0.00%	13.09%
Guangdong Alltop	0.88% to 2.76%	0.68% to 1.69%	0.00%	13.39%
Thailand Hailiang	0.79% to 3.50%	1.29% to 1.66%	0.00%	17.25%
Huizhou Jiaye	3.00% to 102.91%	-8.53% to 6.34%	0.00%	16.42%

(i) We determine the parameters such as revenue growth rate, profit margin for the forecast period, as well as growth rate and profit margin for the stable period within the forecast, based on the operating results of historical years, market competition and development plans.

Management has determined the recoverable amount measured at the present value of estimated future cash flows, with a budget horizon of 5 years, and the key assumptions based on as follows:

Revenue annual growth rates	Revenue growth rate is estimated over the five-year forecast period. The management of our Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose.
(Net) Profit margin	Based on past performance and management's expectations for the future.
Perpetual annual growth rates	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of the countries in which they operate. The perpetual annual growth rates remained stable which was due to the fact that the long-term inflation rates of the relevant countries were relatively stable during the Track Record Period.
Pre-tax discount rates	Estimated by using the weighted average cost of capital ("WACC") method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

Sensitivity analysis has been performed based on the assumptions that revenue annual growth rates, operating profit margin and pre-tax discount rates has been changed. Had the estimated key assumptions during the forecast period been changed as shown below, while other parameters remain constant, the headroom of the CGUs would be as follows:

Year ended December 31, 2023

	Revenue growth annual rate decreased by 0.3%	Net profit margin decreased by 0.3%	Perpetual annual growth rates decreased by 0.3%[(1)]	Pre-tax discount rates increased by 0.3%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Haibo Micro-credit	360,314	361,106	361,578	357,576
HME	N/A	N/A	N/A	N/A
JMF	35,579	66,085	N/A	68,830
Chengdu Bede	51,232	80,367	N/A	80,704
Guangdong Alltop	15,969	62,425	N/A	63,580
Thailand Hailiang	552,799	643,515	N/A	645,213

Year ended December 31, 2024

	Revenue growth annual rate decreased by 0.3%	Net profit margin decreased by 0.3%	Perpetual annual growth rates decreased by 0.3%(1)	Pre-tax discount rates increased by 0.3%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Haibo Micro-credit	N/A	N/A	N/A	N/A
HME	N/A	N/A	N/A	N/A
JMF	21,684	53,412	N/A	55,217
Chengdu Bede	28,778	66,081	N/A	66,525
Guangdong Alltop	N/A	N/A	N/A	N/A
Thailand Hailiang	514,978	616,795	N/A	619,038

Year ended December 31, 2025

	Revenue growth annual rate decreased by 0.3%	Net profit margin decreased by 0.3%	Perpetual annual growth rates decreased by 0.3%(1)	Pre-tax discount rates increased by 0.3%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Haibo Micro-credit	N/A	N/A	N/A	N/A
HME	N/A	N/A	N/A	N/A
JMF	77,032	82,280	N/A	82,648
Chengdu Bede	18,935	22,108	N/A	22,135
Guangdong Alltop	10,124	15,240	N/A	15,370
Thailand Hailiang	327,773	339,363	N/A	339,545

Five months ended May 31, 2026

	Revenue growth annual rate decreased by 0.3%	Net profit margin decreased by 0.3%	Perpetual annual growth rates decreased by 0.3%(1)	Pre-tax discount rates increased by 0.3%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Haibo Micro-credit	37,933	38,175	38,805	36,519
HME	N/A	N/A	N/A	N/A
JMF	20,750	74,345	N/A	77,862
Chengdu Bede	(14,701)	15,062	N/A	15,275
Guangdong Alltop	(48,142)	683	N/A	1,667
Thailand Hailiang	55,654	171,643	N/A	172,924
Huizhou Jiaye	415	1,594	N/A	1,739

(1) For CGUs adopted nil perpetual annual growth rate in the impairment test, no sensitivity analysis has been performed.

Impact of possible changes in key assumptions

Based on the results of impairment test, for the CGUs that were not impaired during the years ended December 31, 2023, 2024 and 2025, and May 31, 2026, these recoverable amount of the CGUs is significantly above the carrying amount of our Group. Management of our Group believes that any reasonably possible change in any of the key assumptions would not result in impairment.

The recoverable amounts of the CGUs would be equal to their carrying amounts if the key assumptions were increased/decreased by the percentage of figures used to determine the current recoverable amounts as follows:

Year ended December 31, 2023:

	Revenue growth rate	Net profit margin	Pre-tax discount rates
Haibo Micro-credit	-53.12%	-86.69%	30.70%
HME	N/A	N/A	N/A
JMF	-0.62%	-6.22%	48.26%
Chengdu Bede	-0.82%	-37.21%	212.64%
Guangdong Alltop	-0.40%	-9.23%	25.26%
Thailand Hailiang	-2.04%	-44.87%	171.25%

Year ended December 31, 2024:

	Revenue growth rate	Net profit margin	Pre-tax discount rates
Haibo Micro-credit	N/A	N/A	N/A
HME	N/A	N/A	N/A
JMF	-0.49%	-7.01%	38.44%
Chengdu Bede	-0.53%	-26.33%	143.03%
Guangdong Alltop	N/A	N/A	N/A
Thailand Hailiang	-1.74%	-36.31%	130.00%

Year ended December 31, 2025:

	Revenue growth rate	Net profit margin	Pre-tax discount rates
Haibo Micro-credit	N/A	N/A	N/A
HME	N/A	N/A	N/A
JMF	-0.44%	-5.44%	30.79%
Chengdu Bede	-0.21%	-14.19%	45.44%
Guangdong Alltop	-0.09%	-2.45%	6.59%
Thailand Hailiang	-0.85%	-26.32%	74.05%

Five months ended May 31, 2026:

	Revenue growth rate	Net profit margin	Pre-tax discount rates
Haibo Micro-credit	-11.57%	-15.21%	5.08%
HME	N/A	N/A	N/A
JMF	-0.41%	-5.09%	26.11%
Chengdu Bede	-0.15%	-11.22%	29.49%
Guangdong Alltop	-0.01%	-0.42%	1.04%
Thailand Hailiang	-0.44%	-17.59%	41.80%
Huizhou Jiaye	-0.39%	-2.27%	5.94%

Investments in Associates

Our investments in associates primarily consisted of our investments in our associates, namely Hailiang Group Finance Co., Ltd. and Bank of Ningxia Co., Ltd. Our investments in associates remained relatively stable at RMB2,057.6 million as of December 31, 2023, RMB2,023.2 million as of December 31, 2024, RMB2,023.8 million as of December 31, 2025, and RMB2,010.9 million as of May 31, 2026, respectively.

Equity Investments at Fair Value through Other Comprehensive Income

Our equity investments at fair value through other comprehensive income consisted of our equity interests in unlisted companies. We estimate the fair value by comprehensively considering methods such as market approach, which we consider as reasonable estimates. Our equity investments at fair value through other comprehensive income increased by 24.5% from RMB916.0 million as of December 31, 2023 to RMB1,140.4 million as of December 31, 2024, primarily attributable to the remeasurement of an equity investment as determined by the consideration stipulated under the disposal agreement. Our Equity investments at fair value through other comprehensive income significantly decreased from RMB1,140.4 million as of December 31, 2024 to RMB100.0 million as of December 31, 2025, primarily attributable to the disposal of an equity investment. Our equity investments at fair value through other comprehensive income decreased from RMB100.0 million as of December 31, 2025 to RMB69.6 million as of May 31, 2026, primarily attributable to an adjustment to the fair value of the relevant unlisted company with reference to a recent market-based financing transaction.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of (i) prepayment for goods, mainly including raw materials used in production, (ii) deposits and guarantees, mainly representing futures deposits, and (iii) prepayment for expenses. The following table sets out a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments:				
Trade prepayments	1,085,222	954,218	1,021,819	818,631
Prepayment for operating expense	90,293	73,738	78,131	108,303
	1,175,515	**1,027,956**	**1,099,950**	**926,934**
Other receivables:				
Receivables from disposal of equity investments measured at FVOCI	–	–	329,052	418,241
Deposits and guarantees	113,884	199,743	360,377	451,404
Receivables from government authorities	49,851	87,329	52,132	56,382
Reimbursable advances	42,857	42,445	41,209	44,098
Others	11,329	14,347	14,681	26,131
Less: provision for impairment	(58,519)	(56,141)	(63,391)	(64,139)
	159,402	**287,723**	**734,060**	**932,117**
Total	**1,334,917**	**1,315,679**	**1,834,010**	**1,859,051**

Our prepayments and other receivables remained relatively stable at RMB1,334.9 million as of December 31, 2023 and RMB1,315.7 million as of December 31, 2024. Our prepayments and other receivables increased by 39.4% from RMB1,315.7 million as of December 31, 2024 to

RMB1,834.0 million as of December 31, 2025, primarily attributable to (i) an increase in receivables from disposal of equity interests at FVOCI, representing our consideration receivables in connection with our disposal of an equity investment, and (ii) an increase in deposits and guarantees, due to our increased futures deposits. Our prepayments and other receivables remained relatively stable at RMB1,834.0 million as of December 31, 2025 and RMB1,859.1 million as of May 31, 2026.

As of June 30, 2026, RMB897.6 million or approximately 48.3% of our prepayments and other receivables as of May 31, 2026 had been settled.

Inventories

Our inventories primarily consisted of (i) raw materials, (ii) work in progress, and (iii) finished goods. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	2,700,099	3,170,157	4,052,539	5,500,869
Work in progress	1,836,621	2,023,655	2,846,827	3,194,166
Finished goods	1,851,525	2,600,828	3,615,230	4,450,569
Goods in transit	443,594	686,363	975,015	1,380,141
Consumable materials	274,582	306,467	340,008	420,388
	7,106,421	**8,787,470**	**11,829,619**	**14,946,133**
Less: provision for impairment	(19,330)	(32,338)	(37,700)	(48,215)
Total	**7,087,091**	**8,755,132**	**11,791,919**	**14,897,918**

Our inventories increased by 23.5% from RMB7,087.1 million as of December 31, 2023 to RMB8,755.1 million as of December 31, 2024, primarily attributable to an increase in finished goods and raw materials following the commencement or expansion of several production sites including our copper foils facilities, which expanded production capacity and led to higher inventory levels. This increase was further supported by the increase in copper price that elevated the value of finished goods and raw materials.

Our inventories increased by 34.7% from RMB8,755.1 million to RMB11,791.9 million as of December 31, 2025, primarily attributable to an increase in finished goods and work in progress, mainly driven by the ramp-up of production at our manufacturing sites, including the Texas Production Base. This increase was further supported by the increase in copper price that elevated the value of finished goods, work in progress and goods in transit.

Our inventories further increased by 26.3% from RMB11,791.9 million as of December 31, 2025 to RMB14,897.9 million as of May 31, 2026, primarily attributable to an increase in raw materials, finished goods and work in progress in anticipation of the peak selling season typically occurring in the second quarter of the year, as well as an increased procurement demand from our overseas production bases, including the Texas Base, in line with the expansion of our overseas operations. This increase was further supported by higher copper prices, which increased the carrying value of our raw materials, finished goods and work in progress.

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

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	7,008,196	8,659,561	11,693,269	14,798,674
1 to 2 years	39,556	71,746	54,798	59,376
Over 2 years	58,669	56,163	81,552	88,083
Total	**7,106,421**	**8,787,470**	**11,829,619**	**14,946,133**

The following table sets out the turnover days of our inventories for the years/periods indicated:

	Year ended December 31,			Five months ended May 31,
	2023	2024	2025	2026
Inventories turnover days[(1)]	34.6	33.7	46.1	52.1

Note (1): Inventory turnover days for a period equal the average of the opening and ending inventory balance (net of allowance) divided by cost of revenue for the relevant period and multiplied by the number of days in the relevant period, which is 360 days for each year ended December 31, 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our inventory turnover days remained relatively stable at 34.6 days in 2023 and 33.7 days in 2024, and increased to 46.1 days in 2025. This increase was primarily attributable to (i) the increased sales to certain customers of copper foil for lithium batteries and PCBs that typically requires longer stocking cycle, and (ii) our moderate expansion of inventory levels to support the ramp-up of production capacity following the commencement or expansion of our production sites, in order to meet anticipated demand and ensure timely fulfillment, particularly for expanded overseas markets that typically require longer lead times and shipping cycles.

Our inventory turnover days further increased from 46.1 days in 2025 to 52.1 days in the five months ended May 31, 2026, primarily attributable to a shift in customer mix with a greater proportion of sales attributable to customers of copper foils for lithium batteries and PCBs, which generally require longer inventory holding and stocking cycles.

As of June 30, 2026, approximately RMB12,391.8 million or 82.9% of our inventories as of May 31, 2026 had been consumed.

Trade and Notes Receivables

Our trade and notes receivables during the Track Record Period primarily consisted of (i) trade receivables and (ii) notes receivables, mainly from customers purchasing our copper processed products for HVAC and industrial application, and copper foils for lithium batteries and PCBs. The following table sets out the breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	5,509,494	7,978,444	9,446,388	12,410,765
Notes receivables	266,840	399,812	123,264	692,845
Less: credit loss allowance	(106,333)	(134,167)	(154,962)	(202,648)
Total	**5,670,001**	**8,244,089**	**9,414,690**	**12,900,962**

Our trade and notes receivables increased by 45.4% from RMB5,670.0 million as of December 31, 2023 to RMB8,244.1 million as of December 31, 2024, primarily attributed to the increase to trade receivables driven by (i) the strong growth in downstream home appliance demand, in conjunction with rising raw material price in the same period, (ii) increased sales to certain overseas customers and customers of copper foils for lithium batteries and PCBs in emerging downstream sectors (such as the NEVs and energy storage markets), whose prevailing market practices typically involve extended credit terms which we accommodated as part of our efforts to strengthen our market position in these evolving markets.

Our trade and notes receivables increased by 14.2% from RMB8,244.1 million as of December 31, 2024 to RMB9,414.7 million as of December 31, 2025, primarily attributed to an increase in trade receivables driven by an increase in sales volume of certain products, such as copper foil products. This increase was further supported by higher copper price during the period which resulted in higher receivable balances.

Our trade and notes receivables further increased by 37.0% from RMB9,414.7 million as of December 31, 2025 to RMB12,901.0 million as of May 31, 2026, primarily attributable to (i) an increase in trade receivables driven by higher sales volumes, particularly to certain overseas customers and major customers of copper foils for lithium batteries and PCBs, as well as higher copper price, which increased the value of outstanding receivables, and (ii) an increase in notes receivables, primarily reflecting increased sales to certain customers settled through bank acceptance notes in order to accommodate their settlement preferences as part of our efforts to strengthen our market position in the evolving market.

The following table sets out the aging analysis of our trade receivables based on the invoice date as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	5,442,493	7,897,002	9,355,293	12,310,663
1 to 2 years	27,284	38,881	44,851	53,457
2 to 3 years	4,870	15,724	16,524	16,281
Over 3 years	34,847	26,837	29,720	30,364
Total	**5,509,494**	**7,978,444**	**9,446,388**	**12,410,765**

We typically offer major customers a credit term of within 120 days. We maintain strict control over outstanding trade and notes receivables through established policies that ensure credit terms are extended only to counterparties with an appropriate credit history. Our management performs ongoing credit evaluations and implements continuous monitoring procedures to ensure timely collection. Follow-up actions are taken promptly to recover any overdue amounts. During the Track Record Period, substantially all of our trade and notes receivables, being 98.8%, 99.0%, 99.0% and 99.2% as of December 31, 2023, 2024, December 31, 2025 and May 31, 2026, respectively, were aged within one year.

The following table sets out our trade and notes receivables turnover days for the years/periods indicated:

	Year ended December 31,			Five months ended May 31,
	2023	2024	2025	2026
Trade and notes receivables turnover days[(1)]	25.3	29.1	38.8	42.3

Note (1): Trade and notes receivables turnover days equals to the average of opening and ending balance of trade and notes receivables divided by revenue for the relevant period and multiplied by the number of days in the relevant period, which is 360 days for each year ended December 31, 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our trade and notes receivables turnover days increased from 25.3 days in 2023 to 29.1 days in 2024, and further increased to 38.8 days in 2025, and further increased to 42.3 days in the five months ended May 31, 2026, primarily attributable to (i) increased sales to certain overseas customers and customers of copper foils for lithium batteries and PCBs in emerging downstream sectors (such as the NEVs and energy storage markets), whose prevailing market practices typically involve an extended credit terms which we accommodated as part of our efforts to strengthen our market position in these evolving markets, and (ii) the adjustment in business portfolio with incremental downsizing of the copper trade activities to align with our core operational needs, which operate with shorter turnover periods.

As of June 30, 2026, approximately RMB6,862.5 million or 52.4% of our trade and notes receivables as of May 31, 2026 had been settled.

Trade and Notes Receivable at Fair Value through Other Comprehensive Income

Our trade and notes receivable at fair value through other comprehensive income during the Track Record Period primarily comprising bank acceptance notes and other commercial notes. Our trade and notes receivables at fair value through other comprehensive income were RMB1,071.5 million, RMB1,287.5 million, RMB916.4 million and RMB1,717.4 million as of December 31, 2023, 2024, 2025 and May 31, 2026.

Accruals and other payables

Accruals and Other Payables under Non-current Portion

Our accruals and other payables under non-current portion during the Track Record Period primarily comprised long-term salaries, wages and bonuses associated with pension obligations. Our accruals and other payables under non-current portion decreased by 5.8% from RMB121.8 million as of December 31, 2023 to RMB114.7 million as of December 31, 2024, primarily attributable to a decrease in pension obligations mainly driven by a shift in foreign currency translation differences from the portion of pension obligations denominated in foreign currencies. Our accruals and other payables under non-current portion remained stable at RMB114.7 million and RMB112.7 million as of December 31, 2024 and 2025, respectively. Our accruals and other payables under non-current portion further remained relatively stable at RMB112.7 million as of December 31, 2025 and RMB109.5 million as of May 31, 2026.

Accruals and Other Payables under Current Portion

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Dividends payable	–	–	–	283,023
Salaries, wages and benefits	322,042	300,609	298,714	362,962
Accrued expenses	109,918	109,971	101,644	117,448
Temporary deposits received	78,330	44,357	44,592	72,271
Deposits payables	81,265	64,006	72,362	59,868
Other tax payables	80,424	70,010	108,004	84,823
[**REDACTED**] payables	–	–	4,655	1,429
Others	21,756	37,380	46,005	34,669
Total	**693,735**	**626,333**	**675,976**	**1,016,493**

Our accruals and other payables under current portion during the Track Record Period primarily consisted of (i) salaries, wages and benefits, (ii) accrued expenses, mainly representing accrued expenses recognized on an accrual basis, including transportation fees, warehousing charges and utility electricity expenses, (iii) temporary deposits received, mainly representing temporary advances and amounts payable by our Company, (iv) deposits payables, mainly representing security deposits payable to external third parties such as our suppliers, and (v) dividend payables, mainly representing dividends declared but not yet paid.

Our accruals and other payables under current portion decreased by 9.7% from RMB693.7 million as of December 31, 2023 to RMB626.3 million as of December 31, 2024, primarily attributable to a decrease in temporary deposits received and deposits payables. Our accruals and other payables increased by 7.9% from RMB626.3 million as of December 31, 2024 to RMB676.0 million as of December 31, 2025, primarily attributable to an increase in other tax payables, mainly reflecting the growth of taxable assets of our Texas Production Base in line with the expansion of its business operations. Our accruals and other payables under current portion further increased by 50.4% from RMB676.0 million as of December 31, 2025 to RMB1,016.5 million as of May 31, 2026, primarily attributable to (i) recognition of dividends payable representing the declared final dividends of RMB283.0 million out of 2025 profits, see Note 12 of Appendix I to this document; and (ii) an increase in salaries, wages and benefits, mainly reflecting statutory entitlements accrued in connection with the workforce optimization of our subsidiaries in the EU.

As of June 30, 2026, RMB165.4 million or 16.3% of our accruals and other payables under current portion as of May 31, 2026, had been settled.

Contract Liabilities

Our contract liabilities during the Track Record Period primarily consisted of advances from customers before fulfilling performance obligations. Our contract liabilities increased by 12.9% from RMB414.4 million as of December 31, 2023 to RMB467.7 million as of December 31, 2024, and further increased by 45.5% to RMB680.7 million as of December 31, 2025, generally in line with increases in copper prices and sales volume, which led to higher advance payments received from customers. Our contract liabilities decreased by 40.6% from RMB680.7 million as of December 31, 2025 to RMB404.3 million as of May 31, 2026, primarily attributable to a decrease in advances received from customers in this period.

As of June 30, 2026, RMB183.4 million or 45.4% of our contract liabilities as of May 31, 2026, had been recognized as revenue.

Trade and Notes Payables

Our trade and notes payables during the Track Record Period primarily consisted of (i) trade payables, and (ii) notes payables. The following table sets out a breakdown of our trade and notes payables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and Notes Payable:				
– Trade payables	2,065,031	2,503,765	1,973,597	2,341,183
– Notes payables	1,049,860	599,940	780,000	–
Total	**3,114,891**	**3,103,705**	**2,753,597**	**2,341,183**

Our trade and notes payables remained relatively stable at RMB3,114.9 million as of December 31, 2023 and RMB3,103.7 million as of December 31, 2024. Our trade and notes payables decreased by 11.3% from RMB3,103.7 million as of December 31, 2024 to RMB2,753.6 million as of December 31, 2025, primarily attributable to a decrease in trade payables resulting from adjustments in our settlement arrangements as we settled certain forward letters of credit that became due during the period. Our trade and notes payables further decreased by 15.0% from RMB2,753.6 million as of December 31, 2025 to RMB2,341.2 million as of May 31, 2026, primarily attributable to a decrease in notes payables, mainly because bank acceptance notes outstanding at the beginning of the period matured and were settled during the period, and no new bank acceptance notes were issued; this decrease was partially offset by an increase in trade payables, mainly due to increased procurement activities in anticipation of the peak selling season in the second quarter of the year, together with higher copper price, which led to higher purchase amount.

Our trade and notes payables are normally settled by the time of delivery; for certain suppliers with whom we have established long-term relationships, we were typically granted credit terms within 90 days. The following table sets out the aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,888,365	2,309,076	1,537,795	2,052,760
Over 1 year	176,666	194,689	435,802	288,423
Total	**2,065,031**	**2,503,765**	**1,973,597**	**2,341,183**

The following table sets out our trade and notes payables turnover days for the years/periods indicated:

	Year ended December 31,			Five months ended May 31,
	2023	2024	2025	2026
Trade and notes payables turnover days[1]	18.2	13.2	13.2	9.9

Note (1): Trade and notes payables turnover days equals to the average of opening and ending balance of trade and notes payables divided by cost of revenue for the relevant period and multiplied by the number of days in the relevant period, which is 360 days for each year ended December 31, 2023, 2024 and 2025 and 151 days for the five months ended May 31, 2026.

Our trade and notes payables turnover days decreased from 18.2 days in 2023 to 13.2 days in 2024, primarily because we prudently maintained our existing letter of credit and acceptance bill arrangement while our business scale continued to expand. Our trade and notes payables turnover days remained relatively stable at 13.2 days in 2024 and 2025. Our trade and notes payables turnover days further decreased from 13.2 days in 2025 to 9.9 days in the five months ended May 31, 2026, primarily attributable to a reduction in our average notes payable balance following the settlement of bank acceptance notes outstanding as of December 31, 2025, as well as the settlement of procurement-related notes payables and payments for long-term assets.

As of June 30, 2026, RMB977.8 million or approximately 41.8% of our trade payables and notes payables as of May 31, 2026 had been settled.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the years/period indicated:

	As of/for the year ended December 31,			As of/for the five months ended May 31,
	2023	2024	2025	2026
Gearing ratio[(1)]	109.2%	131.3%	116.8%	147.8%
Current ratio[(2)]	1.7	1.3	1.5	1.4
Quick ratio[(3)]	1.2	0.9	0.9	0.8
Gross profit margin[(4)]	4.1%	3.3%	3.8%	4.4%
Net profit margin[(5)]	1.5%	0.7%	1.2%	1.4%

Notes:

(1) Gearing ratio equals the total borrowings and lease liabilities as at the respective dates divided by total equity as at the respective dates and multiplied by 100%.

(2) Current ratio equals total current assets divided by total current liabilities as of the relevant dates.

(3) Quick ratio equals total current assets less inventories divided by total current liabilities as of the relevant dates.

(4) Gross profit margin equals gross profit divided by revenue in the respective year and multiplied by 100%.

(5) Net profit margin equals profit of the year divided by revenue in the respective year and multiplied by 100%.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our operations principally from cash generated from operating activities, capital contributions by our shareholders and borrowings. As of December 31, 2023, 2024, 2025 and May 31, 2026, we had cash and cash equivalents of RMB5,103.3 million, RMB4,010.5 million, RMB3,435.9 million and RMB2,738.8 million, respectively.

Cash Flow

The following table sets out our cash flow 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 (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**

Net Cash Used in Operating Activities

Net cash used in operating activities primarily comprise our profit before income tax for the period adjusted by: (i) non-cash and non-operating items, and (ii) changes in working capital.

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 attributed 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.

Net Cash Used in Investing Activities

In the five months ended May 31, 2026, our net cash used in investing activities was RMB265.7 million, which was primarily attributed to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB759.8 million, which was partially offset by proceeds from disposal of equity investments at fair value through other comprehensive income of RMB334.7 million.

In 2025, our net cash used in investing activities was RMB588.1 million, which was primarily attributed to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB986.4 million and (ii) payments for settlement of derivative financial instruments of RMB130.5 million, which was partially offset by (i) proceeds from disposal of equity investments at fair value through other comprehensive income of RMB312.1 million and (ii) government grant received in relation to assets of RMB113.2 million.

In 2024, our net cash used in investing activities was RMB1,039.9 million, which was primarily attributed to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,274.2 million and (ii) payments for settlement of derivative financial instruments of RMB63.8 million, which was partially offset by dividends received from equity investments of RMB168.0 million.

In 2023, our net cash used in investing activities was RMB2,378.4 million, which was primarily attributed to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB2,222.3 million and (ii) payments for settlement of derivative financial instruments, net of RMB336.9 million, which was partially offset by government grant received in relation to assets of RMB95.6 million.

Net Cash Generated from Financing Activities

In the five months ended May 31, 2026, our net cash generated from financing activities was RMB5,748.1 million, which was primarily attributed to proceeds from borrowings of RMB18,221.0 million, partially offset by repayments of borrowings of RMB12,340.1 million.

In 2025, our net cash generated from financing activities was RMB1,569.7 million, which was primarily attributed to proceeds from borrowings of RMB28,439.8 million, partially offset by (a) repayments of borrowings of RMB25,523.5 million and (b) dividends paid to the Company's shareholders of RMB566.8 million.

In 2024, our net cash generated from financing activities was RMB2,397.6 million, which was primarily attributed to the proceeds from borrowings of RMB26,138.7 million, partially offset by repayments of borrowings of RMB22,356.9 million.

In 2023, our net cash generated from financing activities was RMB5,742.1 million, which was primarily attributed to (a) proceeds from borrowings of RMB27,007.1 million and (b) capital contributions from non-controlling interests of RMB2,201.0 million, partially offset by repayments of borrowings of RMB22,462.4 million.

Net Current Assets

	As of December 31,			As of May 31,	As of June 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current assets					
Cash and cash equivalents	5,103,349	4,010,530	3,435,887	2,738,811	2,710,805
Restricted cash and term deposits	2,618,144	2,425,482	2,534,885	1,340,970	1,612,686
Derivative financial instruments	31,351	153,919	69,505	99,958	223,147
Trade and notes receivables	5,670,001	8,244,089	9,414,690	12,900,962	12,453,512
Trade and notes receivables at fair value through other comprehensive income	1,071,509	1,287,484	916,427	1,717,362	2,052,027
Prepayments and other receivables	1,334,917	1,315,679	1,834,010	1,859,051	2,484,407
Inventories	7,087,091	8,755,132	11,791,919	14,897,918	15,441,314
Loans receivables	1,109,143	908,158	727,716	646,748	719,872
Other current assets	407,316	656,270	1,159,318	642,069	510,105
Total current assets	**24,432,821**	**27,756,743**	**31,884,357**	**36,843,849**	**38,207,875**
Current liabilities					
Borrowings	10,102,643	17,338,782	15,930,875	21,766,741	22,636,077
Contract liabilities	414,429	467,709	680,701	404,269	625,793
Rental and interest received in advance	2,908	5,387	4,710	4,240	2,516

	As of December 31,			As of May 31,	As of June 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Lease liabilities	33,462	32,709	33,493	28,178	27,609
Current income tax liabilities	184,539	171,887	189,458	168,694	178,150
Trade and notes payable	3,114,891	3,103,705	2,753,597	2,341,183	1,982,775
Accruals and other payables	693,735	626,333	675,976	1,016,493	1,134,015
Derivative financial instruments	66,573	129,094	902,666	130,585	44,611
Other current liabilities	154,895	158,999	135,626	154,166	74,536
Total current liabilities	**14,768,075**	**22,034,605**	**21,307,102**	**26,014,549**	**26,706,082**
Net current assets	**9,664,745**	**5,722,138**	**10,577,255**	**10,829,300**	**11,501,793**

Our net current assets increased by 6.2% from RMB10,829.3 million as of May 31, 2026 to RMB11,501.8 million as of June 30, 2026, primarily attributable to (i) an increase in prepayments and other receivables, mainly due to increases in futures margin deposits; (ii) an increase in inventories, primarily attributable to advance stockpiling in anticipation of business expansion and increased procurement requirements, coupled with higher copper price; (iii) a decrease in trade and notes payables, primarily attributable to settlement of procurement-related notes payables and payments for long-term assets; and (iv) an increase in trade and notes receivables at fair value through other comprehensive income, primarily attributable to an increase in bank acceptance notes received from customers during the period. The increase was partially offset by (i) an increase in borrowings, primarily attributable to adjustments in financing arrangements to support our working capital requirements; and (ii) a decrease in trade and notes receivables, primarily attributable to customer collections by our subsidiaries.

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.

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 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.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025 and May 31, 2026, our indebtedness consisted of borrowings and lease liabilities. As of June 30, 2026, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB29,938.2 million.

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of May 31,	As of June 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Non-current					
Borrowings	8,188,692	4,855,671	6,651,342	6,803,866	7,238,668
– Amount due to a related party	–	1,000	1,000	1,000	1,000
Lease liabilities	59,326	33,071	46,668	35,568	35,834
Current					
Borrowings	10,102,643	17,338,782	15,930,875	21,766,741	22,636,077
Lease liabilities	33,462	32,709	33,493	28,178	27,609
Total	**18,384,123**	**22,260,233**	**22,662,378**	**28,634,353**	**29,938,188**

Except as disclosed above, during the Track Record Period and up to June 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured. Our Directors confirmed that there has not been any material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

Borrowings

We had total borrowings of bank borrowings and debentures of RMB18,291.3 million, RMB22,194.5 million, RMB22,582.2 million, RMB28,570.6 million and RMB29,874.7 million as of December 31, 2023, 2024, 2025, May 31, 2026 and June 30, 2026, respectively, representing unsecured bank borrowings primarily to supplement raw material procurement and the construction of our production bases, which is strictly in line with our operational needs. A portion of our bank borrowings is secured and guaranteed, see Note 29 of Appendix I to this document. As of June 30, 2026, our unutilized bank facilities amounted to RMB10,693.7 million. The effective interest rate of our interest-bearing bank borrowings were ranged from 1.95% to 5.20% for long-term borrowings and 0.65% to 5.11% for short-term borrowings per annum as of May 31, 2026.

In particular, as of December 31, 2024, 2025 and May 31, 2026, we had non-trade balances of RMB1.0 million, representing a liquidity loan due to an associate of our Group. See Note 44 of Appendix I to this document. Our non-trade balances remained stable at RMB1.0 million as of June 30, 2026.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our total lease liabilities primarily comprise lease contracts for buildings and land-use-rights for office premises and production. As of December 31, 2023, 2024, 2025, May 31, 2026 and June 30, 2026, our total lease liabilities (including current and non-current portions) were RMB92.8 million, RMB65.8 million, RMB80.2 million, RMB63.7 million and RMB63.4 million, respectively.

The following table sets forth our lease liabilities in absolute amounts as of the dates indicated:

	As of December 31,			As of May 31,	As of June 30,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Non-current portion	59,326	33,071	46,668	35,568	35,834
Current portion	33,462	32,709	33,493	28,178	27,609
Total	**92,788**	**65,780**	**80,161**	**63,746**	**63,443**

Our total lease liabilities decreased by 29.1% from RMB92.8 million as of December 31, 2023 to RMB65.8 million as of December 31, 2024, and further increased by 21.9% from RMB65.8 million as of December 31, 2024 to RMB80.2 million as of December 31, 2025, primarily attributable to payment of lease liabilities in relation to the leasing of properties for production and offices. Our total lease liabilities decreased by 20.5% from RMB80.2 million as of December 31, 2025 to RMB63.7 million as of May 31, 2026, primarily attributable to (i) the scheduled settlement of lease liabilities under our existing lease arrangements; and (ii) the acquisition of certain properties in Italy that were previously subject to lease arrangements. Our total lease liabilities remained relatively stable at RMB63.7 million as of May 31, 2026 to RMB63.4 million as of June 30, 2026.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025, May 31, 2026 and June 30, 2026, we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

During the Track Record Period, we had capital commitments of RMB1,487.0 million, RMB932.7 million, RMB1,007.0 million and RMB1,372.6 million as of December 31, 2023, 2024, 2025 and May 31, 2026, mainly consisting of property, plant and equipment commitments (either contracted or authorized). See Note 43.2 of Appendix I to this document.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditure consisted of purchase of property, plant and equipment, intangible assets and other non-current assets. In 2023, 2024, 2025 and the five months ended May 31, 2026, our capital expenditures amounted to RMB2,222.3 million, RMB1,274.2 million, RMB986.4 million and RMB759.8 million, respectively. We funded these expenditures primarily with bank borrowings, equity and debt financing.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see Note 43 of Appendix I to this document.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We have adopted a risk management program focused on minimizing potential adverse effects of the unpredictability of financial markets as we are exposed to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk, liquidity risk and price risk. Our overall risk management focuses on the unpredictability of financial markets, seeks a balance between risk and return, and minimizes the adverse impact of risk on our financial performance. See Note 3 of Appendix I to this document.

Liquidity Management Framework

To improve our operating cash flow position, maintain a robust liquidity position and meet our working capital requirements, we have established a comprehensive working capital and liquidity management framework comprising the following measures:

- ***Cash planning and monitoring.*** We prepare annual cash budget and rolling short-term cash plans to monitor potential funding gaps on an ongoing basis. We also maintain sufficient bank credit facilities to support our operations over the next 12 months, enabling us to better manage working capital requirements, optimize cash deployment and support a more stable operating cash flow position.

- ***Strengthening trade and other receivable management.*** We may be exposed to credit risks from our customers for not being able to collect all receivables. See "Risk Factors — We are exposed to the credit risks of our customers." In response, we put in place strengthened accounts receivables management, by reviewing and monitoring customer credit ratings on an ongoing basis, with credit limits set accordingly. For overseas customers, we maintain export credit insurance coverage to mitigate collection risks. We also conduct dynamic aging analyses of trade receivables, monitor collection progress continuously and incorporate customer payment performance into the assessment metrics of relevant sales personnel. For overdue receivables, dedicated escalation procedures are implemented, including involvement of risk management and legal teams where necessary, to facilitate timely recovery and accelerate cash inflows. These measures are intended to shorten collection cycles, improve receivables turnover and accelerate the conversion of revenue into operating cash flows.

- ***Stringent inventory control.*** Inventory is managed against turnover targets, with full-process monitoring, regular stocktaking and real-time tracking through internal systems. In addition, performance assessments and procurement controls are also used to limit excess inventory. In particular, during off-peak seasons or periods of lower demand, procurement plans may be adjusted and inventory optimization measures may be implemented to reduce capital tied up in inventory and improve inventory turnover, thereby enhancing operating cash flow generation.

- ***Optimizing financing and cash management.*** We use a combination of bank borrowings and bill financing with an appropriate mix of short- and long-term funding, to ensure flexibility and funding continuity. We also actively manage our foreign exchange exposure through hedging and other treasury management measure, while optimizing capital allocation and funding arrangements to mitigate currency risks and reduce financing costs, thereby improve cash flow efficiency.

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.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us including our cash and cash equivalents on hand, the available banking facilities and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of December 31, 2023, 2024, 2025 and May 31, 2026, our Company had distributable reserves of RMB7,970.5 million, RMB8,334.1 million, RMB8,743.6 million and RMB8,856.0 million, respectively, which were available for distribution to our equity shareholders.

[**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 RMB2.1 million. After the Track Record Period, approximately RMB[**REDACTED**] million 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.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

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.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.