

## BUSINESS

---

### OVERVIEW

#### Who We Are

We are an electrolytic copper foil solutions provider in China, specializing in the design, research and development, production, and sales of high-performance<sup>(i)</sup> electrolytic copper foil. During the Track Record Period, our primary products were lithium battery copper foil and electronic circuit copper foil products. In light of the upward trend of and the strong demand from our downstream sectors, such as AI and high-performance computing, we are strategically focusing on our business of electronic circuit copper foil products, such as RTF and HVLP products, which is expected to be a key growth driver of our future business. We ranked as the tenth-largest electrolytic copper foil producer in the world by sales volume in 2025, with a market share of approximately 2.3%, according to Frost & Sullivan.

We leverage our technological foundation and industrial expertise to deliver customized solutions along with tailored products that address the evolving needs of various downstream customers operating in a wide array of application scenarios and industries. Our technological capabilities enable us to serve our customers, providing essential core materials that support the advancement of the new energy and electronic information industries. We supply lithium battery copper foils, which are essential components in various types of lithium batteries included in NEV, ESS, and consumer electronics, as well as advanced electronic circuit copper foils, which are critical for manufacturing PCB and CCL used in a wide array of markets including AI and high-performance computing, 5G/6G communications, automotive electronics, and commercial aerospace. In addition, we supply RTF and HVLP products, targeting at AI and high-performance computing industry, to several leading domestic PCB and CCL manufacturers, and have sent sample products of novel anode current collectors specifically used for solid-state and solid-liquid batteries to globally leading battery manufacturers.

We have established a foundation rooted in high-quality and stable customer relationships, a core asset that validates our market position and directly reinforces the significant customer barrier in our industry. This is further solidified by strategic investments from the leading global battery manufacturer, BYD, and the fund invested by CATL. These endorsements are a powerful testament to our technological capabilities and value, creating an alignment of interests with key industry leaders that is exceptionally difficult for competitors to replicate.

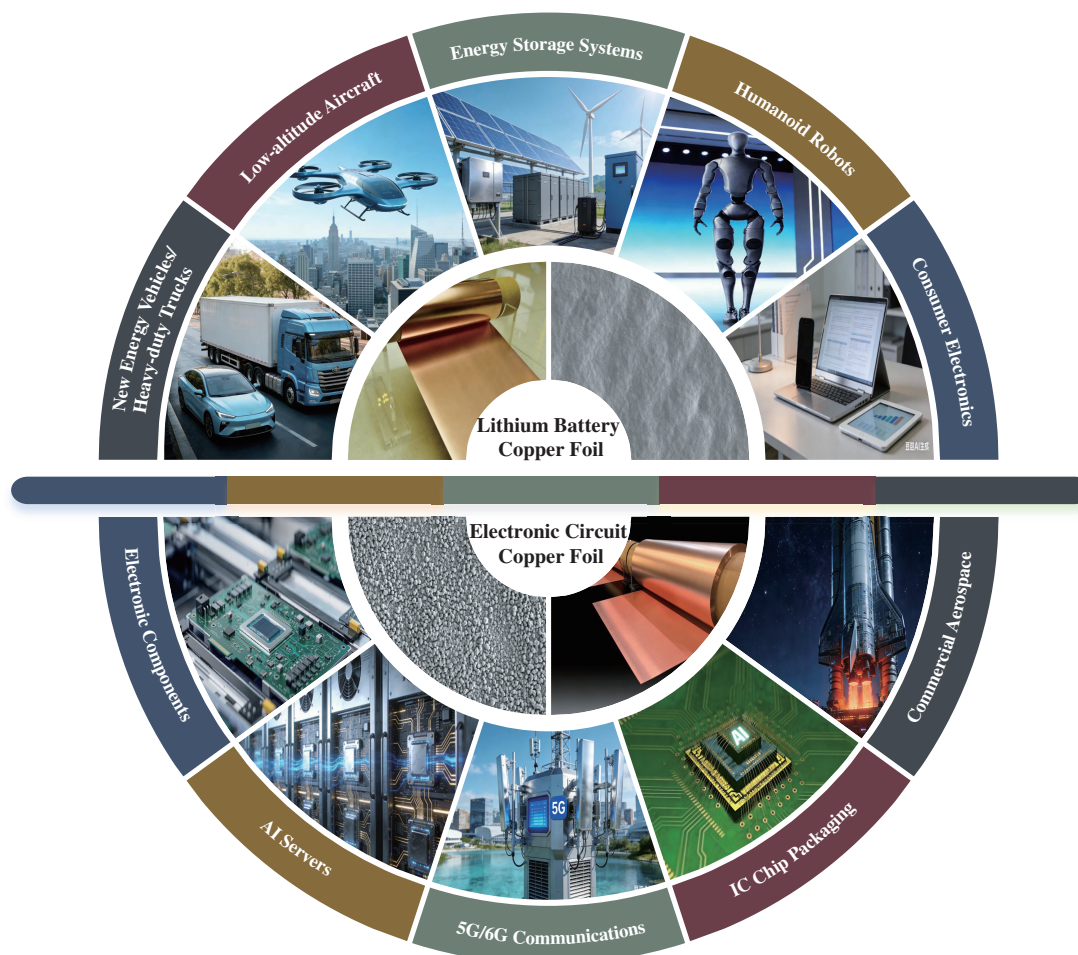
Guided by our goal to create value for customers, we focus on enhancing our core competitiveness through product quality, service responsiveness, and cost efficiency. This integrated approach enables us to transition beyond transactional supplier relationships into collaborative partnerships. By engaging early in our customers’ development cycles and understanding their technical roadmaps, we participate in joint development efforts to deliver customized, high-value products. These collaborations foster long-term relationships with industry-leading customers, contributing to demand visibility, supporting product co-development, and strengthening our competitive market position. As of the Latest Practicable Date, we had established long-term collaborative partnerships with seven of the world’s top 10 lithium battery manufacturers, including four Chinese companies and three Korean companies.

---

<sup>(i)</sup> *Lithium battery copper foil products that meet any one of the following criteria: thickness <6μm, tensile strength ≥400MPa, or elongation ≥10%, according to Frost & Sullivan. High-performance products may be phased out over time, driven by our continuous internal technological advancements and evolving industry standards.*

## BUSINESS

### Our Business



Our business model is characterized by a collaborative and customized approach. We typically engage with customers from the initial stages of their product development cycle, working closely to designing and developing tailored products that meet specific technical specifications and end-application parameters. This deep integration establishes our role as a critical partner through customers’ product life cycle, from research and development to mass production. We have developed a diverse product portfolio that serves high-growth applications in AI and high-performance computing, NEV, ESS, consumer and automotive electronics, 5G/6G communications, and commercial aerospace. Our operations are built upon two distinct product pillars, each targeting critical and rapidly expanding technology sectors.

#### ***Lithium Battery Copper Foil***

Our lithium battery copper foil is a critical functional component that serves as the anode current collector. Its performance characteristics, including areal density uniformity, tensile strength, and elongation, directly influence key battery performance metrics such as energy density, cycle life, and safety. We operate within the rapidly expanding global lithium battery value chain, which is primarily driven by the NEV, ESS, and consumer electronics sectors. According to Frost & Sullivan, China is the world’s largest market for lithium batteries, accounting for over 60% of global shipments in 2025, and is projected to continue to experience significant growth from 2026 to 2030, supported by national policy and accelerating downstream adoption. The Chinese lithium battery copper foil market is expected to

## BUSINESS

---

experience robust growth in tandem, with sales volume projected to increase from 1,260.1 kilotons in 2026 to 2,543.1 kilotons in 2030, representing a CAGR of 19.2%, according to the same source. Our products are specifically designed to serve the battery applications of the above-mentioned core downstream sectors.

Our core products consist of double-sided shiny copper foils with thicknesses ranging from 4 $\mu$ m to 10 $\mu$ m. We supply standard 6 $\mu$ m-10 $\mu$ m foils, which provide reliable performance for mainstream applications. Our focus is on the high-growth segment of high-performance foils, which is experiencing exceptional demand in China, as sales volume of high-performance lithium battery copper foil are projected to surge from 469.0 kilotons in 2026 to 2,184.5 kilotons in 2030, representing a CAGR of 46.9%, according to Frost & Sullivan. Our offerings within this segment include ultra-thin 3 $\mu$ m-5 $\mu$ m foils engineered to maximize battery energy density, and customized 6 $\mu$ m-10 $\mu$ m high-performance foils designed for demanding environments requiring high safety and long service life. We are the third-largest supplier of high-performance lithium battery copper foil in China by sales volume in 2025, with a market share of 12.0%, according to Frost & Sullivan, demonstrating strong market recognition of our technological capabilities and our market leadership.

To align with the evolution of battery technology, we are proactively developing next-generation materials to capitalize on future market trends. Our development pipeline includes new coated current collector for sodium-ion batteries and, in collaboration with a leading industry customer, novel multi-metal anode current collector materials for solid-state batteries. The development of the multi-metal material has progressed through laboratory-scale trials. Based on positive results from initial pilot testing and subsequent cell validation, we built a dedicated pilot production line in June 2026 for the continuous R&D and iteration of the multi-metal material, positioning us to address the emerging solid-state battery market.

### ***Electronic Circuit Copper Foil***

Our electronic circuit copper foil is a foundational material for manufacturing CCL and PCB, serving as the essential medium for signal transmission and power conduction. This product serves the expansive global PCB market, the market value of which is projected to grow from RMB685.6 billion in 2026 to RMB1,088.0 billion in 2030, representing a CAGR of 12.2%, according to Frost & Sullivan. The China PCB market, which accounted for 54.3% of the global PCB market in 2025, is expected to expand from RMB358.5 billion to RMB492.6 billion over the same period at a CAGR of 8.3%, according to the same source. Our products are integral to a broad array of applications across high-growth sectors, including AI and high-performance computing, 5G/6G communication infrastructure, commercial aerospace, automotive electronics, and industrial control systems.

We offer a complete portfolio of electronic circuit copper foils engineered to meet the specific performance requirements of diverse application scenarios. Our product suite includes HTE foil, with thicknesses ranging from 10 $\mu$ m to 70 $\mu$ m, which provides excellent thermal stability required for demanding multi-layer PCB applications. We also supply LP foil, designed for use in flexible circuits found in wearable and compact electronics, characterized by low surface roughness to minimize signal loss. Our advanced high-frequency high speed products consist of RTF and HVLP foil series. These products are specifically engineered to address critical signal integrity challenges in cutting-edge, high-speed applications, targeting the rapidly growing segment for AI and high-performance computing PCBs and 5G/6G communication network. In China, the size of AI and computing PCBs market is projected to grow from a market size of RMB54.1 billion in 2026 to RMB157.2 billion in 2030, representing a CAGR rate of 30.6%, according to Frost & Sullivan.

## BUSINESS

We have established a strong commercial position in the electronic circuit copper foil market, supported by supply of RTF and HVLP series products to several leading domestic PCB and CCL manufacturers. To capture future opportunities driven by next-generation AI and high-performance computing and 5G/6G communication network, we maintain a dedicated research and development program. This program focuses on advancing our product portfolio and has established technical reserves for subsequent generations of high-frequency, high-speed foils. This strategic approach consolidates our current market position while building a foundation for continued growth.

### Major Product Launch Milestone

The following table sets forth the launch of our major electrolytic copper foil products.

| <u>Date</u>              | <u>Lithium Battery<br/>Copper Foil Product</u>                         | <u>Types of Products<br/>(Standard/<br/>High-performance)</u> | <u>Main Characteristics</u>                                                                                                                          |
|--------------------------|------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 2018 . . . . .       | 8/6 $\mu$ m ultra-thin copper foil                                     | Standard                                                      | Mature production technology for 8/6 $\mu$ m ultra-thin copper foil; tensile strength $\geq$ 300 MPa, elongation $\geq$ 3%                           |
| January 2019 . . . . .   | 5 $\mu$ m extreme-ultra-thin copper foil                               | High-performance                                              | Thickness reaching 5 $\mu$ m ultra-thin level; tensile strength $\geq$ 300 MPa, elongation $\geq$ 2.5%; no discoloration or striping surface defects |
| February 2021 . . . . .  | 4.5 $\mu$ m extreme-ultra-thin copper foil                             | High-performance                                              | Thickness reaching 4.5 $\mu$ m ultra-thin level; tensile strength 330-390 MPa, elongation $\geq$ 3.5%; stable support                                |
| January 2022 . . . . .   | 6/5 $\mu$ m medium-strength high-elongation copper foil                | High-performance                                              | Proprietary additive formulation to support tensile strength 400-450 MPa, elongation $\geq$ 5%; no discoloration or striping surface defects         |
| March 2024 . . . . .     | 4.5 $\mu$ m super-high-strength copper foil                            | High-performance                                              | Tensile strength $\geq$ 600 MPa, elongation $\geq$ 3%; stable for mass production and volume supply; intended for UAV scenarios                      |
| August 2024 . . . . .    | 6 $\mu$ m ultra-high-strength copper foil                              | High-performance                                              | Proprietary additive formulation to support tensile strength $\geq$ 700 MPa, elongation $\geq$ 5%; stable for mass production and volume supply.     |
| August 2024 . . . . .    | 6 $\mu$ m ultra-high-strength copper foil                              | High-performance                                              | Proprietary additive formulation to support tensile strength $\geq$ 800 MPa, elongation $\geq$ 3%; sample production completed                       |
| May 2025 . . . . .       | 3 $\mu$ m super-high-strength copper foil                              | High-performance                                              | Proprietary additive formulation to support tensile strength $\geq$ 600 MPa, elongation $\geq$ 3%; sample production completed                       |
| May 2025 . . . . .       | 3.5 $\mu$ m ultra-high-strength copper foil                            | High-performance                                              | Proprietary additive formulation to support tensile strength $\geq$ 700 MPa, elongation $\geq$ 3%; stable for mass production and volume supply.     |
| February 2025 . . . . .  | Novel multi-metal current collector material for solid-state batteries | High-performance                                              | Proprietary additive formulation to support tensile strength $\geq$ 1500 MPa, elongation $\geq$ 3%; sample production completed                      |
| July 2025 . . . . .      | 4 $\mu$ m super-high-strength copper foil                              | High-performance                                              | Tensile strength $\geq$ 600 MPa, stable for mass production and volume supply                                                                        |
| September 2025 . . . . . | Porous copper foil                                                     | High-performance                                              | Sample production completed.                                                                                                                         |
| 2026 . . . . .           | New coated current collector for sodium-ion batteries                  | High-performance                                              | Sample production completed.                                                                                                                         |

## BUSINESS

| Date                 | Electronic Circuit Copper Foil Product                         | Main Characteristics                                                                                                                                                                                                                                         |
|----------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 2018 . . . . . | Standard copper foil (STD copper foil)                         | Thickness ranging mainly from 12 to 70 $\mu\text{m}$ ; uniform copper nodule size after roughening; good peel strength                                                                                                                                       |
| April 2018 . . . . . | High-temperature high-elongation copper foil (HTE copper foil) | Thickness ranging mainly from 10 to 70 $\mu\text{m}$ ; finer, more uniform tooth texture; stable performance; mainly for PCB and CCL                                                                                                                         |
| February 2020. . .   | LP copper foil                                                 | Thickness ranging mainly from 12 to 22 $\mu\text{m}$ ; sulfur-free process, high elongation, low roughness; excellent bending/fatigue resistance; for flexible PCBs                                                                                          |
| January 2023 . . .   | RTF1 copper foil                                               | RTF1 sample completed; thickness ranging mainly from 12 to 35 $\mu\text{m}$ ; processed surface roughness $R_z \leq 3.0 \mu\text{m}$ ; commercialized and supplied for high-speed PCB and automotive electronics PCBs.                                       |
| October 2023 . . .   | HVLP1 copper foil                                              | HVLP1 sample completed; thickness ranging mainly from 12 to 35 $\mu\text{m}$ ; compressed surface roughness $R_z \leq 2.0 \mu\text{m}$ ; commercialized and supplied for high-frequency high-speed PCB and AI servers.                                       |
| October 2025 . . .   | RTF2 copper foil                                               | RTF2 sample completed; thickness ranging mainly from 12 to 70 $\mu\text{m}$ ; processed surface roughness $R_z \leq 2.3 \mu\text{m}$ ; samples delivered to customers successfully validated; for high-frequency high-speed PCB and mid-to-high-end servers. |
| October 2025 . . .   | RTF3 copper foil                                               | RTF3 sample completed; thickness ranging mainly from 12 to 70 $\mu\text{m}$ ; processed surface roughness $R_z \leq 2.1 \mu\text{m}$ ; samples delivered to customers successfully validated; for high-frequency high-speed PCB and high-end servers.        |
| October 2025 . . .   | HVLP2 copper foil                                              | HVLP2 sample completed; thickness ranging mainly from 12 to 35 $\mu\text{m}$ ; compressed surface roughness $R_z \leq 1.5 \mu\text{m}$ ; for high-frequency high-speed PCB and AI servers.                                                                   |
| January 2026 . . .   | HVLP3 copper foil                                              | Advanced HVLP3 sample completed; thickness ranging mainly from 12 to 35 $\mu\text{m}$ ; processed surface roughness $R_z \leq 1.0 \mu\text{m}$ ; samples delivered to customers successfully validated.                                                      |
| February 2026. . .   | HVLP4 copper foil                                              | Processed surface roughness $R_z \leq 0.8 \mu\text{m}$ ; samples sent to a global leading flexible CCL manufacturer for approval into their supply chain                                                                                                     |

---

## BUSINESS

---

### Our Market Opportunities

The electrolytic copper foil industry is in a period of strong growth, supported by two major trends: the shift to clean energy and the rise of digital technologies, including AI and high-performance computing and 5G/6G communication network. These developments are creating sustained, high-volume demand for advanced materials across both of our main product areas.

The rapid move toward NEV and large-scale ESS is fundamentally increasing demand for lithium battery copper foil. The Chinese lithium battery market, which represents the majority of global production, is expected to grow significantly. Meanwhile, the industry’s focus on improving battery performance is accelerating the adoption of thinner, more advanced copper foils. Sales of these high-performance lithium battery copper foils in China are projected to increase sharply. We are well-positioned in this segment, ranking as the third-largest supplier in China by sales volume in 2025.

Additionally, the expansion of AI and high-performance computing, 5G/6G networks, and data centers, requires PCBs with superior performance. This creates strong, ongoing demand for high-frequency high speed electronic circuit copper foils, such as our RTF and HVLP series. For instance, the market for PCBs used in AI and high-performance computing in China is projected to grow from RMB54.1 billion in 2026 to RMB157.2 billion in 2030, representing a CAGR of 30.6%, according to Frost & Sullivan. In particular, the rapid iteration of computing hardware such as AI servers and application-specific integrated circuits (“ASICs”) has directly raised requirements for high signal integrity and transmission rates for high-performance PCBs. As a core material for PCBs, copper foil with lower surface roughness (Rz value) delivers reduced signal loss. Our HVLP copper-foil product represents a key material addressing the high-speed and high-frequency demands of the AI PCB and positions us to capture growth brought by this expanding segment. According to the same source, the market for PCB-grade copper foil for AI and high-performance computing in China is projected to grow from RMB744.7 million in 2026 to RMB2,138.6 million in 2030. Beyond these core areas, new applications like robotics, drones, and advanced consumer electronics are creating additional demand for specialized foils with particular strength, flexibility, or lightweight properties, which aligns with our development efforts. Our strategy is aligned with this evolution. We focus on meeting the varied and specific needs of customers in advanced batteries and high-end electronics by continuously developing higher-value, performance-driven products. We believe we are well-positioned to benefit from these growing market opportunities.

### Our Financial and Operational Performance

We are one of the few profitable electrolytic copper foil producers in 2024. During the Track Record Period, our business scale and profitability experienced rapid growth. Our total revenue was RMB3,163.0 million, RMB3,211.7 million, RMB4,212.5 million, RMB1,802.3 million and RMB3,403.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our profit for the period was RMB63.1 million, RMB20.6 million, RMB93.8 million, RMB13.3 million and RMB164.9 million in the same periods, respectively.

Our achievements have been recognized through multiple industry awards and official accreditations, reflecting our technical leadership and innovative capabilities. In 2025, we were designated as a National Specialized and New Key “Little Giant” Enterprise (國家級專精特新重點小巨人企業) by the Ministry of Industry and Information Technology (工業和信息化部) of the PRC. We also received the Gaogong Lithium Battery Industry Innovation Award (高工鋰電行業創新獎) in the same year, an authoritative industry endorsement of our technological achievements within the lithium battery supply chain. In 2024, we were recognized as a “Potential Unicorn Enterprise”(潛在獨角獸企業) by the Jiangxi Provincial Department of Science and Technology (江西省科技廳), highlighting our high-growth potential in the new energy materials sector. Additionally, we have actively participated in drafting the national industry standard “Electrolytic Copper Foil for Lithium Batteries”(《鋰離子電池用

## BUSINESS

---

電解銅箔》), issued by the Ministry of Industry and Information Technology of the PRC, contributing to the establishment of technical norms and promoting standardized development within the industry. Various awards granted by globally leading battery manufacturers, such as the 2025 Technological Innovation Award by CATL and the 2025 Quality Excellence Award by EVE Energy, also demonstrate our superb technological capabilities and high-quality products. See “Business — Awards and Recognition” for details.

### OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors.

#### **Deep technical expertise and integrated product matrix.**

We possess a comprehensive and integrated product portfolio, underpinned by technical expertise that combines mature mass-production systems with forward-looking research and development. This integration provides systematic advantages across both lithium battery and electronic circuit copper foils.

In the lithium battery copper foil segment, we offer a complete product matrix. We supply copper foils across the full commercially relevant thickness range, from 3μm to 10μm, covering all standard tensile strength grades. Key performance indicators such as tensile strength, thickness, areal density uniformity, and elongation are maintained at advanced levels, enabling our products to meet diverse application requirements in NEV, ESS, and consumer electronics. Beyond standardized offerings, we possess advanced customization capabilities to develop high-performance foils with tensile strengths of ≥700 MPa and elongation exceeding 10%, compared to industry median of 300-400 MPa and 3% according to Frost & Sullivan, engineered to meet specific customer demands for high-reliability or extreme-performance scenarios.

Our commercial success is supported by long-term strategic partnerships with several industry-leading battery manufacturers, built on a foundation of exceptional product consistency and large-scale, reliable delivery. Our research and development pipeline is focused on next-generation battery technologies. This includes the development of new coated current collector for sodium-ion batteries and, in collaboration with a major industry partner, novel multi-metal anode current collector materials for solid-state battery applications.

In the electronic circuit copper foil segment, our strategy balances commercial execution in high-growth markets with research and development investment in future technologies. We have supplied our RTF1-3 and HVLP1-4 series sample products, certain series of which having been commercialized, which address the growing demand for AI and high-performance computing and 5G/6G communication. Concurrently, to meet the more stringent signal integrity requirements of next-generation electronics, we are actively developing advanced product series, including RTF4-5, HVLP5 and carrier copper foil. This development endeavor focuses on overcoming technical challenges related to achieving ultra-low surface roughness and minimal signal insertion loss, establishing a technology foundation for future high-performance applications.

#### **A solid research and development foundation and proprietary manufacturing technologies.**

We have built a strong technological foundation and refined production processes through nearly a decade of focused operation in the electrolytic copper foil industry. Research and development is a core component of our growth strategy, supported by an integrated innovation framework. This commitment to innovation was recognized in 2025 with our designation as a National Specialized and New Key

---

## BUSINESS

---

“Little Giant” Enterprise by the Ministry of Industry and Information Technology. Our technical capability is evidenced by 101 granted patents and a substantial portfolio of trade secrets and in-house know-how, which protect innovations across our product portfolio and manufacturing process.

Our innovation activities are underpinned by sustained investment. Our cumulative research and development expenses during the Track Record Period was RMB186.3 million. This investment supports our dedicated research and development facilities, the “Midas Sci-lab”(點石實驗室) and the “Hephaestus Tech-lab”(創興實驗室), and facilitates collaborative research programs with leading domestic universities and institutions, ensuring our technical development aligns with advanced market requirements. Our Midas Sci-lab closely monitors technological trends in the AI and high-performance computing and new energy industries and is committed to developing frontier products with broad application potential, such as RTF, HVLP and carrier copper foil, among others, while our Hephaestus Tech-lab is dedicated to the ongoing development and iterative improvement of lithium-ion battery copper foil products and related manufacturing processes. See “Business — Research and Development — Our Research and Development Platforms” for details. Our research and development team comprised 191 professionals, including senior experts with more than 20 years of industry experience as of June 30, 2026. We employ a “application scenario-driven and collaborative research and development” model, engaging directly with leading battery manufacturers and high-performance PCB customers. This collaborative approach facilitates the joint development and industrialization of next-generation products, including ultra-high strength and ultra-thin copper foils, new coated current collector for sodium-ion batteries, multi-metal anode current collectors, and high-frequency, high speed electronic circuit foils.

To sustain our competitive position, we continuously advance our manufacturing technologies through dedicated investment in equipment upgrades and process optimization. Our manufacturing team has developed proprietary expertise and control over critical production stages, including cathode drum surface finishing, precise foil thickness measurement and control, winding, slicing, and intelligent monitoring systems. These integrated advancements contribute to a production system characterized by high precision, consistent yield, and operational efficiency.

Additionally, a foundational element of our competitive advantage is the mastery of our trade secrets and confidential know-how, such as proprietary additive formulations. Through detailed research into component interactions and precise calibration with core process parameters, we have developed our own additive formulas. This proprietary capability is instrumental in producing key products such as ultra-thin lithium battery copper foils with high tensile strength and elongation, and low-profile (“LP”) electronic circuit copper foils with high peel strength. Our proprietary formulations enable a wide operational processing window and deliver superior product consistency.

Our integrated research, development and manufacturing capabilities allow us to not only innovate high-performance products in a laboratory setting but also to translate these advanced technologies efficiently into stable, large-scale mass production. This effective conversion from research and development to mass production is a significant contributor to our market position.

### **Deep integration with leading downstream customers, building a resilient customer network.**

We have established a resilient customer network by securing positions within the supply chains of numerous leading global technology companies. This includes forming long-term strategic relationships with our customers across key downstream markets: AI and high-performance computing, NEV, ESS, consumer and automotive electronics, commercial aerospace, and 5G/6G communication network. The supplier qualification process of our major customers is stringent, typically involving rigorous, multi-stage certification of product performance, manufacturing standards, and reliability over an extended period. This creates significant barriers to entry but fosters strong, enduring partnerships upon successful qualifications, contributing to high customer retention.

---

## BUSINESS

---

Our customer portfolio comprises many of the world’s leading battery manufacturers and major automotive and energy groups. We have established stable, high-volume supply agreements with several companies ranked among the top ten global lithium battery manufacturers by market share and have successfully supplied other major international industry leaders. In addition to these top-tier global customers, our customer base includes other prominent specialists across the broader battery ecosystem, including leaders in consumer and automotive electronics, NEV and ESS applications. Within the electronic circuit copper foil segment, we have been supplying electronic circuit copper foil products to leading PCB and CCL manufacturers since 2018. Currently, due to the rapid growth driven by AI applications in the AI PCB related sectors, we have developed advanced copper foil products, such as RTF1-3 and HVLPI-4, progressed through the qualification process and initiated supply of sample products to leading domestic manufacturers in the PCB and CCL markets to replace the imported products, certain series of which having been commercialized, establishing a foothold in this high-growth segment.

A fundamental aspect of our competitive strategy is a collaborative approach to innovation with our leading customers. We maintain regular technical exchanges and have entered into specific co-development agreements, focusing on the upgrade and iteration of existing products and the development of next-generation materials. For example, we have a collaboration focused on novel current collectors for solid-state batteries with a major industry partner. This joint development model, which involves shared research, testing, and iterative validation, ensures our product development roadmap remains closely aligned with the advanced requirements of our key customers.

See “Business — Research and Development — Our Collaboration with Customers and Research Institutes.”

This strategic alignment not only accelerates our own technological advancement but also creates a combined technological and commercial barrier, securing our position within their core supply chains. To support future growth, we plan to deepen existing partnerships and align our key customers’ global expansion strategies, positioning us to capture emerging opportunities in international markets. This deep integration with a broad portfolio of industry leaders provides a stable foundation of demand, delivers valuable forward-looking market intelligence, and creates a robust platform for sustained, innovation-led growth.

### **Leading scale production capacity and highly automated manufacturing.**

Scale and cost control are critical competitive factors in the electrolytic copper foil industry. Our substantial production volume enables effective dilution of fixed costs, generating significant economies of scale in raw material procurement, manufacturing, and operations. We continuously invest to expand our premium production capacity. As of the Latest Practicable Date, we had three production bases with five manufacturing plants with designed annual capacity of 90,000 tons. In addition, we have entered into an investment agreement for the construction of an additional production facility for our electronic copper foil products used for AI PCB in Jiangxi Province, with an initial annual designed capacity of 20,000 tons, which is expected to be commissioned in 2027. Our expanded or newly established production facilities are equipped with new, advanced, and cost-efficient equipment, systems and infrastructure, combined with efficient operations, allowing us to advance our technology, ensure product quality and maintain strong cost competitiveness, thereby enabling us to provide customers with stable supplies of high-value products.

We have developed in-house capabilities to plan, design, and optimize our complete production lines, including equipment selection and process layout tailored to our specific technical needs. By selecting advanced, high-precision equipment, along with our adoption of the cathode roll with a maximum diameter of 3.0 m and a maximum width of 1,700 mm, one of the largest sizes in the

---

## BUSINESS

---

industry, we have achieved efficient per-unit output with a relatively lower capital investment per unit of production value. Our independently optimized production lines incorporate energy-efficient copper dissolution, high-current/long-length foil generation, and high-speed, large-diameter slicing technologies. This integrated design enables flexible switching between different product types, contributing to cost and operational advantages. We continuously invest in upgrading our core high-precision production equipment, achieving incremental improvements in areas such as wider web production, environmental friendly surface treatment, and enhanced edge-trimming quality, which collectively support higher product yield and production efficiency.

We have built a production system that integrates advanced automation and smart manufacturing, achieving Level 7 digital development certification which reflects a high degree of operational and informational integration. The deployment of advanced equipment and robotic assistants has increased the level of automation on our production lines, improving operational efficiency. To ensure full-process traceability, we have established a data collection and tracking system that covers the journey from raw materials to finished products, utilizing barcodes and RFID as identification carriers, in combination of data-collection terminals such as PDAs. This system is supported by an integrated manufacturing operations platform that consolidates our ERP, supply chain, and IoT systems. The platform facilitates the connection and analysis of operational, informational, and communications data, enabling real-time oversight and coordinated management of the production process. Smart warehousing and logistics systems with full barcode integration support precise inventory control and product tracking. At the quality assurance stage, we employ AI-based visual inspection and digital twin modeling for process balancing, allowing for online quality monitoring and adaptive optimization of key parameters, which contributes to consistent product quality and continuous operational improvement.

We are committed to environmentally sustainable manufacturing and integrate green principles across our production processes. To address the environmental aspects of traditional copper foil production, we have successfully implemented a commercial-scale, environmental-friendly process. This was achieved through advances in anti-oxidation technology and upgrades to both surface treatment equipment and process controls. Additionally, by managing chromium levels in our passivation solutions, we have developed core technologies for environmental-friendly treatment and ultra-low chromium anti-oxidation. These innovations reduce the use and discharge of hazardous substances. Our environmental management and production practices have been recognized with the Jiangxi Province Green Factory certification (江西省綠色工廠認證). We also focus on resource efficiency and incorporate recycled materials into our production where feasible. We have obtained the UL 2809 Recycled Content Validation certification (回收料含量驗證) from UL Solutions, which validates our use of recycled content, supports product traceability, and demonstrates adherence to international standards for environmental management, aligning our operations with expectations for sustainable supply chains.

### **Experienced management team with global strategic vision.**

We are steered by a highly experienced and dynamic management team with deep expertise in the new energy and electrolytic copper foil industries. This team combines extensive industry knowledge with strong operational leadership, ensuring we remain responsive to evolving market demands and customer needs quickly. We are led by our chairman of the Board, Mr. Li Xianyang, who has nearly 20 years of managerial experience in the new energy industry. Mr. Li is primarily responsible for the Company’s overall strategic planning, resource allocation, and team management. His strategic vision and industry insight have been instrumental to our growth.

Mr. Li is well recognized by the industry and has contributed to the development of the electrolytic copper foil industry. Mr. Li was awarded the Model Worker of Fuzhou City in 2019 and the candidate for the “Ganpo Talent Program — High-end Entrepreneurial Talent Project”(贛鄱英才計畫 – 創業高端人才項目) in 2024. He is also one of the principal drafters of the standard of the Quantification Method and Requirements for Greenhouse Gas Product Carbon Footprint — Electrolytic Copper Foil for Lithium-ion Battery Specific Use”(溫室氣體產品碳足跡量化方法與要求鋰離子電池專

---

## BUSINESS

---

用電解銅箔的團體標準) in 2025. He is also one of the principal drafters of “Assessment requirements for quality grading and forerunner – Electrodeposited copper foil for lithium ion battery”(質量分級及“領跑者”評價要求鋰離子電池用電解銅箔).

Mr. Li is supported by a core group of senior executives, each with significant specialized credentials:

- *Mr. Xie Changjiang*, is our executive Director and deputy general manager. He serves as a committee member of the Technical Expert Committee of the Electronic Copper Foil Materials Branch of the China Electronic Materials Industry Association (中國電子材料行業協會電子銅箔材料分會技術專家委員會委員), reflecting deep expertise in lithium battery copper foil product development and process technology. Mr. Xie participated in drafting and setting the standard of “Quality Classification and Leading Evaluation Requirements for Electrolytic Copper Foil”(《質量分級及「領跑者」評價要求：電解銅箔》)(T/CIET104-2023). He is the inventor of our 11 granted invention patents and 12 utility model patents, and received various awards, such as the Scientific Achievement Certificates for twice in Qinghai Province.
- *Mr. Tang Haifeng*, is our executive Director and deputy general manager. Mr. Tang participated in drafting and setting the standard of “the Green Factory Evaluation Requirements of Electrolytic Copper Foil Industry”(《電解銅箔行業綠色工廠評價要求》)(T/CIET103-2023). He is the inventor of our six granted invention patents and two utility model patents, and received various awards, such as the Science and Technology Achievement Awards for three times in Anhui Province, Mr. Tang also served as one of the principal drafters of the standard “Quantification Method and Requirements for Greenhouse Gas Product Carbon Footprint — Electrolytic Copper Foil for Lithium-ion Battery Specific Use.”(溫室氣體產品碳足跡量化方法與要求鋰離子電池專用電解銅箔的團體標準) in 2025.
- *Mr. Xu Hongbiao*, is our executive Director and the head of quality control. Mr. Xu participated in drafting and setting ten standards of copper foil including “Green Low-Carbon Product Evaluation Specification — Composite Copper Foil”(綠色低碳產品評價規範 – 複合銅箔)(T/CIET 185-2023), “Industrial Carbon Neutrality Energy-Saving Product Evaluation Specification — Electrolytic Copper Foil”(工業碳中和節能產品評價規範 – 複合銅箔)(T/CIET 186-2023), and “Technical Requirements for High-Performance Ultra-Thin Electrolytic Copper Foil for Lithium-ion Batteries”(鋰電子電池用高性能極薄電解銅箔技術要求)(T/CIET 222-2023). Mr. Xu serves as the member of the Technical Expert Committee in Electronic Copper Foil Materials Branch of the China Electronic Materials Industry Association (中國電子材料行業協會電子銅箔材料分會技術專家委員會), and is also an expert in the Standardization Working Committee Expert Database, China International Economic and Technical Cooperation Promotion Association (中國國際經濟技術合作促進會) and the council member of Fuzhou Youth Association of Scientific and Technological Workers (撫州市青年科技工作者協會).

Our management team provides strategic direction and technical credibility that form the foundation of our innovation and commercial execution. This hands-on, expert-led management directly informs our research and development priorities and facilitates deep technical engagement with customers and research partners. Their guidance has been central to establishing our robust innovation framework, which is anchored by dedicated research and development infrastructure, including our “Midas Sci-lab”, Hephaestus Tech-lab, and provincial-level technology centers. They actively foster industry-academia collaboration, partnering with leading domestic research universities on advanced projects, and engage in joint-development initiatives with key customers on next-generation materials. Internally, this leadership cultivates a multi-tiered research and development team by attracting and nurturing specialized talent, including postdoctoral researchers and PhDs.

## BUSINESS

---

This same strategic vision extends to our commercial growth. Our management’s deep market understanding has enabled us to build a commercial reach that extends to leading global technology companies. To support future growth and align with our key customers’ international expansion strategies, they are actively evaluating production bases in Southeast Asia. Additionally, our strategic positioning is reinforced by investments from major global industry leaders, a testament to the confidence in our management’s vision and execution capabilities, which strengthens our market relationships and technological alignment. We are confident that this experienced and specialized leadership team is well-positioned to execute our strategy and capture opportunities in the rapidly evolving electrolytic copper foil industry.

### OUR STRATEGIES

We have developed and intend to implement the following strategies to expand and grow our business:

#### **Continuously strengthen our research and development capabilities to enhance our products’ competitive advantage.**

We intend to solidify and extend our technological leadership through focused and forward-looking research and development. We will intensify our research and development efforts, concentrating on upgrading and iterating existing products, achieving material performance breakthroughs and advancing next-generation technologies toward commercial readiness. A core priority is the development of novel materials for emerging battery architectures. This includes the advancement of new coated current collector for sodium-ion batteries and, in close collaboration with leading industry partners, multi-metal anode current collector materials for solid-state batteries. Concurrently, in the electronic circuit segment, we are dedicating resources to the development of ultra-advanced high-frequency high-speed copper foil series, such as RTF4-5, HVLP5 and carrier copper foil. These products are engineered to meet the escalating performance demands driven by the exponential growth in AI and high-performance computing and the proliferation of 5G/6G communication infrastructure, which necessitates PCBs with exceptional signal integrity.

Additionally, we will systematically expand our product portfolio to address evolving technical specifications and capture opportunities in new and frontier applications. For lithium batteries, we will develop a broader range of high-performance copper foils tailored to the distinct requirements of next-generation solid-liquid and solid-state batteries, low-altitude economy and humanoid robots. Within the electronic circuit domain, our development roadmap targets advanced foils characterized by ultra-low profile, superior peel strength, and minimal signal loss for deployment in high-growth sectors including AI and high-performance computing, 5G/6G communication network, automotive electronics, and commercial aerospace. This strategic expansion of our application footprint is designed to diversify our revenue streams and open new, high-value growth avenues aligned with global technological megatrends.

#### **Strengthen delivery capabilities through manufacturing capacity and manufacturing system upgrades.**

We believe that establishing a robust global production footprint with sufficient, high-quality capacity is critical for our long-term, sustainable growth. To this end, we plan to systematically execute a dual strategy of targeted capacity expansion and comprehensive manufacturing upgrades.

Our capacity expansion will be strategically focused on high-performance, high-value-added products to capture growth in premium market segments. We plan to install production lines for next-generation lithium battery copper foils, including ultra-thin (3μm-5μm) foils and high-performance (6μm-10μm) variants. Concurrently, we will expand output of advanced electronic circuit copper foils,

## BUSINESS

---

such as our RTF1-3 and HVLP1-4 series, which are essential for high-frequency high speed circuits and AI servers. We are also preparing future capacity for next-generation materials like new coated current collector for sodium-ion batteries, special ultra-thin copper foil, new-corrosion-resistant copper foil and novel anode current collectors, aligning our investment with anticipated market evolution. Geographically, we intend to enhance our domestic service by establishing a flexible production base that can switch between products in Sichuan to better serve customers in western China, shortening delivery cycles and improving responsiveness. We commenced the construction of this production base in October 2025, which commenced operation in August 2026. We are also conducting an assessment to build a manufacturing facility in Southeast Asia. This intended international expansion is strategically designed to locally support the overseas production growth of our key global battery customers, helping to mitigate potential trade barriers, reduce logistics costs, and strengthen our localized service capabilities.

In tandem with this physical expansion, we are committed to a comprehensive upgrade of our manufacturing systems to solidify our production efficiency and quality leadership. We will introduce advanced equipment, such as large-diameter, wide width cathode rollers, to achieve synergistic gains in output efficiency, energy consumption, and product quality. We will further optimize core proprietary processes, including our high-efficiency copper dissolution technique, and integrate in-line density and defect detection systems to enhance process stability and product consistency. A central pillar of this initiative is the deeper integration of our Manufacturing Execution System (MES), Distributed Control System (DCS), and Enterprise Resource Planning (ERP) platforms. This integration aims to create a seamless digital thread from order entry through production execution to final resource scheduling. Through this interconnected data environment and intelligent system coordination, we will achieve greater precision in process control, higher machining accuracy, and increased production flexibility. Our objective is to build an intelligent, scalable manufacturing system that supports the production of advanced products and provides a foundation for future operational excellence.

### **Expand overseas markets and promote global business development.**

Our global growth strategy is centered on strengthening our valuable customer relationships while systematically expanding into new markets and customer segments. We plan to leverage our established partnerships and long-term supply and/or collaboration agreements to significantly deepen cooperation with our core customers. This involves fostering an integrated innovation ecosystem characterized by regular technical exchanges and collaborative research and development. By aligning our strategic initiatives with our key customers’ global expansion plans, we intend to expand our overseas operations in tandem with their international footprint. This symbiotic approach aims to build a more cohesive and durable partnership, creating a virtuous cycle where joint product development is seamlessly aligned with evolving customer requirements, thereby enhancing mutual value.

Additionally, we are committed to diversifying our customer base across different industry segments and geographic regions to build a more resilient and expansive business. We plan to actively pursue market entry in strategic regions such as Southeast Asia and Europe. A critical component of this expansion will be obtaining the necessary local certifications and approvals to meet regional standards and customer specifications. This targeted geographic diversification is intended to mitigate concentration risk, capture growth in emerging markets, and increase our overall global market share. Through these efforts, we aim to construct a comprehensive global sales and service network that supports our long-term international growth objectives.

## BUSINESS

---

### **Cultivate a professional, high-caliber workforce.**

We believe that a talented and motivated workforce is the fundamental driver of our sustained growth and innovation. To secure our competitive position in a talent-constrained industry, we are committed to a comprehensive strategy for attracting, developing, and retaining top-tier professionals. Our approach is structured around three key initiatives.

For talent acquisition, we intend to attract exceptional individuals. We will offer competitive and attractive compensation and benefits packages to recruit top talent with the skills and expertise necessary to advance our technological and business objectives. To cultivate and foster these talents, our goal is to implement structured professional training programs and establish clear, expansive career development paths. This initiative is designed to continuously enhance the comprehensive skills of our team, inject vitality into the organization, and nurture future leadership from within. Finally, we aim to unlock the full potential of our workforce through well-designed incentive policies and recognition programs. We will foster a culture that encourages value creation, entrepreneurial thinking, and sustained business innovation. This focus on empowerment and reward is intended to motivate our team to achieve exceptional performance.

By executing this integrated talent strategy, we aspire to assemble a specialized, high-caliber team capable of driving our innovation agenda and ensuring we maintain our leadership in the electrolytic copper foil industry.

### **Explore strategic collaborations and potential mergers and acquisitions opportunities.**

As part of our long-term strategic planning, we may explore opportunities for strategic collaborations, joint ventures, or acquisitions to complement our organic growth. Any such activity would be undertaken with the primary objectives of accelerating technological development, expanding our customer base, broadening our sales channels, and enhancing our overall competitive position.

As there are no dominant market leaders in the electrolytic copper foil industry, we pursue suitable acquisitions to consolidate the market share. Our focus would be on identifying potential partners or targets whose capabilities are highly complementary to our own. In the context of potential mergers and acquisitions, our evaluation would prioritize targets with synergistic technologies, particularly in advanced copper foil manufacturing or related material science, or those possessing strategic customer relationships in key geographic or industry segments. Similarly, any exploration of strategic alliances or joint ventures would be aimed at co-developing specific technologies, entering new markets, or creating integrated supply chain advantages.

We have not identified any specific acquisition targets as of the Latest Practicable Date, and no binding agreements have been entered into. Any potential activity would be subject to thorough due diligence, definitive agreements, and approval by our Board of Directors, and would be aligned with creating sustainable, long-term shareholder value.

### **OUR BUSINESS MODEL**

We are a leading electrolytic copper foil solutions provider in China, specializing in the design, research and development, production, and sales of electrolytic copper foil. Our product portfolio consists of two core categories: (i) standard and high-performance lithium battery copper foil, which serves as the essential anode current collector in lithium batteries; and (ii) electronic circuit copper foil, which is used in the production of PCB and CCL.

## BUSINESS

A key aspect of our business model is providing customized material solutions tailored to the specific requirements of our customers. We engage closely with our customers, often from the early stages of their product development cycle to co-design and engineer copper foils that meet precise technical specifications for their end applications. Our lithium battery copper foil is supplied to manufacturers of lithium batteries for NEV, ESS, and consumer electronics. Our advanced electronic circuit copper foil is critical for manufacturing PCB and CCL used in a wide array of high-growth markets, including AI and high-performance computing 5G/6G communications, and automotive electronics.

We generate revenue primarily through the sales of our standard and high-performance lithium battery copper foil products as well as electronic circuit copper foil products. This revenue structure, supported by our focus on customized solutions, allows us to navigate market cycles effectively while maintaining sustainable growth. Through continuous technological innovation and deep customer collaboration, we have established a high degree of trust and synergy with our downstream customers, contributing to and leading progress within the industry.

The following table sets forth the breakdown of our revenue by product in absolute amounts and as percentage of our total revenue for the periods indicated:

|                                  | Years ended December 31,       |        |           |        |           |        | Six months ended June 30, |        |           |        |
|----------------------------------|--------------------------------|--------|-----------|--------|-----------|--------|---------------------------|--------|-----------|--------|
|                                  | 2023                           |        | 2024      |        | 2025      |        | 2025                      |        | 2026      |        |
|                                  | RMB'000, except for percentage |        |           |        |           |        | (Unaudited)               |        |           |        |
| Copper foil                      |                                |        |           |        |           |        |                           |        |           |        |
| – Lithium battery copper foil    | 2,816,472                      | 89.1   | 2,851,739 | 88.8   | 3,700,905 | 87.8   | 1,566,084                 | 86.9   | 3,040,091 | 89.3   |
| – Electronic circuit copper foil | 323,118                        | 10.2   | 351,186   | 10.9   | 478,769   | 11.4   | 231,116                   | 12.8   | 280,061   | 8.2    |
| Sub-total                        | 3,139,590                      | 99.3   | 3,202,925 | 99.7   | 4,179,674 | 99.2   | 1,797,200                 | 99.7   | 3,320,152 | 97.5   |
| Others <sup>(i)</sup>            | 23,405                         | 0.7    | 8,748     | 0.3    | 32,822    | 0.8    | 5,093                     | 0.3    | 83,120    | 2.5    |
| Total                            | 3,162,995                      | 100.0% | 3,211,673 | 100.0% | 4,212,496 | 100.0% | 1,802,293                 | 100.0% | 3,403,272 | 100.0% |

Note:

(i) Represented primarily sales of copper foil scrap.

See “Financial Information — Period to Period Comparison of Results of Operations” for details regarding the fluctuations of our revenue during the Track Record Period.

## OUR SOLUTIONS AND PRODUCT OFFERINGS

### Lithium Battery Copper Foil

We specialize in design, research and development, production, and sales of advanced lithium battery copper foil, which serves as the essential anode current collector in lithium batteries. Our focus is on high-performance current collectors for lithium battery anodes. We offer a customizable range of copper foils with thicknesses spanning from 3μm to 10μm, covering various tensile strength grades from standard to ultra-high strength. Our products are competitive in key indicators such as tensile strength, elongation, and areal density uniformity, making them suitable for the diverse demands of power batteries, ESS, and consumer electronics batteries. Our customer base includes leading global manufacturers of NEVs, ESS, and consumer batteries. For specialized application scenarios, we can develop custom products with ultra tensile strength (≥700 MPa), ultra-high elongation (>10%), low brittleness, and temperature-adaptive characteristics. With our strong product performance, quality, and large-scale delivery capability, we have established long-term strategic partnerships with numerous leading industry customers.

## BUSINESS

We have established a full lifecycle, high-standard quality management system from initial product concept to mass production, complemented by a mature and complete technical standard framework. This system ensures product quality while balancing cost and time efficiency. We implement a stringent verification process to confirm that our lithium battery copper foils meet all designed specifications.

To provide a comprehensive view of our product offerings and their application in the evolving battery ecosystem, the following table details the specifications, key characteristics, and primary applications of our core lithium battery copper foil series. This portfolio demonstrates our capability to deliver both foundational and advanced solutions tailored to specific market demands.

### Core Products

| Product Series/<br>Specifications                                                                   | Primary Applications                                                                                                                                              | Core Characteristics                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General strength (ultra-thin) series;<br>6-10μm, tensile strength<br>300-400 MPa. . . . .           | ESS, power batteries<br>(NEV, passenger<br>vehicle)                                                                                                               | Mature production process, stable and<br>reliable product quality, meets stringent<br>control standards.                                                                                                                      |
| General strength (extreme-ultra-thin) series: 3.5-<br>5μm, tensile strength<br>300-400 MPa. . . . . | Drones, consumer<br>electronics (smartphones,<br>laptops, wearable<br>devices)                                                                                    | Thinner thickness with increased proportion<br>of active material inside the cell,<br>improving volumetric and gravimetric<br>energy density.                                                                                 |
| Medium strength series; 3-<br>10μm, tensile strength<br>400-500 MPa. . . . .                        | ESS, power batteries<br>(commercial vehicle,<br>coach, logistics vehicle,<br>heavy truck)                                                                         | Upgraded strength, combined with excellent<br>toughness and elongation, offering<br>stronger fracture resistance and reliable<br>quality.                                                                                     |
| High strength series; 3-<br>10μm, tensile strength<br>500-600 MPa. . . . .                          | Power batteries (NEV,<br>heavy-duty trucks,<br>vessels), ESS, premium<br>consumer electronics<br>(smartphones, laptops,<br>wearables)                             | A breakthrough in both strength and<br>performance. Tensile strength 500-600<br>MPa provides over 30% higher fracture<br>resistance compared to the general-<br>strength series.                                              |
| Super-high strength series;<br>3.5-6μm, tensile strength<br>600-700 MPa. . . . .                    | Medium-silicon series<br>batteries used in drone,<br>humanoid robots,<br>vessels, and premium<br>consumer electronics<br>(smartphones, laptops,<br>and wearables) | Exceptionally high tensile strength, far<br>exceeding standard series, contributing to<br>enhanced cell energy density.                                                                                                       |
| Ultra-high strength series;<br>3.5-6μm, tensile strength<br>>700MPa . . . . .                       | High-silicon series batteries<br>used in commercial<br>aerospace, drone,<br>humanoid robots,<br>vessels, and premium<br>consumer electronics                      | Solves industry challenges of ultra-thin<br>foils being “prone to tearing and poor<br>processability,” reducing risks of<br>electrode delamination and detachment<br>caused by volume expansion and<br>enhancing cell safety. |

## BUSINESS

| Product Series/<br>Specifications                                       | Primary Applications                                                                                                            | Core Characteristics                                                                                                                                                                                                         |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High-elongation foil; 4-10μm, elongation: 4μm, >4%; 10μm, >8% . . . . . | High-safety power batteries (NEV), flexible, foldable consumer electronics batteries, ESS for drones, robots, special equipment | Breaks the performance trade-off of “high strength vs. low elongation.” Offers excellent resistance to bending and tensile deformation, solving the brittleness issue of conventional high-strength foils during processing. |
| Temperature-adaptive lithium battery foil . . . .                       | Temperature-sensitive anodes, high-temperature solid-state batteries                                                            | Features intelligent temperature adaptation, with mechanical properties dynamically matching temperature changes. Extremely high elongation at elevated temperatures effectively buffers and disperses thermal stress.       |

The following table sets forth the breakdown of our revenue generated from the sales of lithium battery copper foil by type of products for the periods indicated:

|                             | Years ended December 31,                             |       |           |       | Six months ended June 30, |       |           |       |
|-----------------------------|------------------------------------------------------|-------|-----------|-------|---------------------------|-------|-----------|-------|
|                             | 2023                                                 | 2024  | 2025      |       | 2025                      | 2026  |           |       |
|                             | RMB'000, except for as a percentage of total revenue |       |           |       |                           |       |           |       |
|                             | (Unaudited)                                          |       |           |       |                           |       |           |       |
| Lithium battery copper foil |                                                      |       |           |       |                           |       |           |       |
| Standard . . . . .          | 2,577,146                                            | 81.5  | 971,080   | 30.2  | 813,333                   | 19.3  | 374,595   | 20.8  |
| High-performance . . . . .  | 239,326                                              | 7.6   | 1,880,659 | 58.6  | 2,887,572                 | 68.5  | 1,191,489 | 66.1  |
| Total . . . . .             | 2,816,472                                            | 89.1% | 2,851,739 | 88.8% | 3,700,905                 | 87.8% | 1,566,084 | 86.9% |
|                             |                                                      |       |           |       |                           |       | 3,040,091 | 89.3% |

Sales of our high-performance lithium battery copper foil products accounted for an increasing portion of our total sales during the Track Record Period, reflecting our efforts to strategically expand our high-performance products business which has higher selling prices and margins.

### **Case study — Development of ultra-thin, ultra-high-strength copper foil for lithium batteries used in low-altitude drones**

#### **Background and Challenges**

With the rise of the global low-altitude economy, unmanned aerial vehicles (“UAVs”) are being widely used in logistics, inspection, and emergency rescue. Battery cell endurance is a key industry bottleneck; therefore breakthroughs in lithium battery performance — the UAV power core — are critical.

In early 2025, our long-term strategic customer, a global leading power battery manufacturer, launched a research and development program for next-generation medium-format power lithium batteries dedicated to low-altitude UAVs. The project placed very high demands on overall battery performance, including extremely high energy density, high power/high-rate discharge capability, long cycle life, and extreme safety and reliability.

The stringent battery requirements in the customer’s complex application scenarios made the technical challenges for copper foil as anode electrode current collector particularly prominent. We cooperated with the customer to develop a solutions satisfying their needs and requirements.

## BUSINESS

### *Customized Development Process and Collaboration*

We quickly formed a joint project team, comprising research and development, process, quality control, and sales personnel, and worked closely with the customer’s technical team. The development was completed in four stages:

| Stage | Tasks                                                              | Solutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I     | Deep technical exchanges, and solution confirmation.               | <ul style="list-style-type: none"> <li>Fully communicate to understand customer needs: thinner copper foil is key to raising energy density.</li> <li>Risk identification: foil thinning causes reduced physical properties; and microscopic surface defects become stress concentrators that propagate cracks. This raises strict requirements on electrolyte formulation, additives, and processing.</li> <li>Solution and measures: target thickness reaching 4.5 <math>\mu\text{m}</math>, and extremely high strengths (<math>\geq 700</math> MPa). We use novel organic additives to optimize crystal structure during electrolytic deposition to significantly increase tensile strength while preserving ductility, and we take strict control of key steps (dissolving-copper process, current density control, precision and stability of the cathode roll/sheeting machine) to address thickness nonuniformity, pinholes, strip breaks, among others.</li> </ul> |
| II    | Lab sample delivery, and iterative optimization. . . . .           | <ul style="list-style-type: none"> <li>Prepare samples in size A4: optimize additive formulas and process parameters to meet customer physical property requirements.</li> <li>Customer validation: comprehensive physical and electrochemical tests at the customer’s lab and feedback provided.</li> <li>Sample optimization: in response to customer feedback that increased strength led to greater brittleness, we adjusted additive ratios and process to reduce brittleness.</li> <li>The project followed a “sample <math>\rightarrow</math> test <math>\rightarrow</math> feedback <math>\rightarrow</math> optimize” closed loop. To date, we completed 4.5 <math>\mu\text{m}</math> ultra-high-strength foil (<math>\geq 700</math> MPa) in trials and are iterating toward 4.0 <math>\mu\text{m}</math>.</li> </ul>                                                                                                                                             |
| III   | Pilot production, production line trials, and joint validation . . | <ul style="list-style-type: none"> <li>Reel-sample production: ensure pilot reel production via process and equipment optimization.</li> <li>Customer’s production line trials: work alongside customer engineers to observe foil performance during actual coating, calendaring, die-cutting and other processes, and optimize process to achieve expected production results.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| IV    | Capacity ramp-up and stable supply . . . . .                       | After successful pilot trials, the customer integrated the custom 4.5 $\mu\text{m}$ copper foil into their next-generation power battery platform. We locked all process parameters and implemented strict statistical process control (“SPC”) to ensure batch consistency. A supply agreement was signed and mass shipments began.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## BUSINESS

### *Conclusion*

Through deep, customized collaboration, we successfully developed a 4.5  $\mu\text{m}$  ultra-high-strength lithium battery copper foil meeting the UAV long-endurance requirements, and further iterated toward 4.0  $\mu\text{m}$ . Batteries using this copper foil significantly extended UAV endurance and received strong market recognition. Our solutions satisfied our customer’s application-driven innovation needs and strengthened our leadership in ultra-thin lithium-battery copper foil technology.

### ***Key Development Focus***

In addition to our established product portfolio, we are actively developing next-generation lithium battery copper foil products to address emerging technologies and enhance battery performance in future applications. Our research and development pipeline is strategically focused on advanced materials for next-generation battery platforms, particularly in collaboration with leading industry partners.

Specifically, we are engaging in the prospective development of new coated current collector for sodium-ion batteries and, in partnership with a leading industry customer, co-developing a novel multi-metal anode current collector material for solid-state battery applications. As of the Latest Practicable Date, the construction of a pilot-scale experimental production line for such material had been completed, where sample production process has commenced. We are also advancing our temperature-adaptive copper foil technology, designed for use in temperature-sensitive anodes and high-temperature solid-state batteries. The following table summarizes our key products under development:

| <b>Product/Specifications</b>                                                                | <b>Primary Applications</b>                                                                        | <b>Core Characteristics</b>                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Novel multi-metal current collector material;<br>6 $\mu\text{m}$ , $\geq 1500$ MPa . . . . . | Solid-state batteries, high-temperature batteries, aerospace, high-energy-density liquid batteries | Ultra-high strength, effectively suppresses battery volume expansion, and provides excellent oxidation and corrosion resistance.                                                                              |
| Porous copper foil; 5-10 $\mu\text{m}$                                                       | Solid-liquid batteries, high-energy-density liquid batteries                                       | Utilizes laser and etching processes, allowing flexible customization of pore size and porosity. Reduces weight and enhances cell energy density.                                                             |
| Temperature-adaptive lithium battery copper foil. . . . .                                    | Temperature-sensitive anodes, high-temperature solid-state batteries                               | Intelligent temperature adaptation, with mechanical properties dynamically matching temperature changes. Extremely high elongation at elevated temperatures effectively buffers and disperses thermal stress. |

## BUSINESS

| Product/Specifications                                                                                                                         | Primary Applications                                                                                      | Core Characteristics                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Special ultra-thin copper foil; 3-4.5 $\mu\text{m}$ , $\geq 700$ MPa (after folding and rolling, $\geq 350$ MPa), $\geq 3.5\%$ . . . . .       | Batteries for low-altitude aircraft, high-energy-density batteries, and high-silicon ultra-safe batteries | High tensile strength and high cell energy density, reducing cell swelling, mitigating anode-sheet cracking at late-stage cycle life, and enhancing cell-level safety performance. |
| New corrosion-resistant copper foil; 3-6 $\mu\text{m}$ , $\geq 330$ MPa, coating thickness $\geq 0.05$ $\mu\text{m}$ . . .                     | Solid-state batteries, lithium-metal batteries, and high-energy-density batteries                         | Excellent oxidation and corrosion resistance, improving battery cycling performance and effectively reducing capacity fade                                                         |
| New coated current collector for sodium-ion batteries; 10-13 $\mu\text{m}$ , $\geq 180$ MPa, coating thickness $\geq 0.05$ $\mu\text{m}$ . . . | Sodium-ion batteries                                                                                      | Lightweight and low cost, enabling an anode-free design that eliminates anode active material to further reduce costs                                                              |

These development initiatives are integral to our strategy of maintaining technological leadership and capturing value in the next wave of battery innovation, including solid-state, solid-liquid, and other advanced high-energy-density batteries.

### Electronic Circuit Copper Foil

In the electronic circuit copper foil segment, we develop, manufacture and sell high-grade electrolytic copper foil used in the production of PCBs and CCLs. Our electronic circuit copper foil products are primarily supplied to established industry leaders, including publicly listed and/or leading PCB manufacturers and CCL producers, who typically incorporate our copper foil into their high-performance circuit boards and electronic components. In terms of application, our products can be applied in various downstream scenarios, including AI and high-performance computing 5G/6G communication, automotive electronics, and data centers according to the differentiated requirements of downstream customers.

A key competitive advantage of our electronic circuit copper foil products is our proprietary surface treatment technology and additive formulation systems. While sharing similar electrochemical principles with our lithium battery copper foil production, the technical focus for electronic circuit copper foil emphasizes ultra-low-profile surfaces, high peel strength, and excellent electrical properties suitable for high-frequency, high speed applications. Through continuous innovation and close collaboration with our key customers, we have built a resilient and diversified product portfolio that aligns with global megatrends in electrification, connectivity, AI and digitalization.

The following table details the specifications, key performance characteristics, and primary applications of our core electronic circuit copper foil series. Our comprehensive portfolio demonstrates our commitment to delivering solutions tailored to the exacting demands of high-frequency, high-speed, and high-reliability electronic systems.

## BUSINESS

### *Core Products*

| Product Series       | Primary Applications                                                                                                               | Core Characteristics                                                                                                                                                                     |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HTE series . . . . . | Multi-layered PCB, automotive electronics, aerospace & high-performance industrial electronics                                     | Excellent thermal stability and elongation; balanced peel strength for reliable performance in multi-layer PCB fabrication                                                               |
| LP series . . . . .  | Communication infrastructure, advanced automotive radar systems, wearable devices, flexible printed circuits, ultra-thin batteries | Low surface roughness to enhance signal integrity, while maintaining strong peel strength between foil and resin. Unique microstructure provides outstanding elongation and flexibility. |
| RTF1-3 series . . .  | High-speed server motherboards, millimeter wave radar, high-performance graphics card and other high-frequency/high-speed PCB      | Double-sided treatment: one ultra-smooth side minimizes signal loss; the other treated side ensures superior peel strength                                                               |
| HVLP1-4 series. .    | High-frequency/high-speed circuits, 5G/6G communication equipment, AI server motherboards & high-speed data centers                | Ultra-low surface roughness to reduce signal insertion loss, coupled with stable and reliable peel strength                                                                              |

### *Case study — Development of HVLP3 copper foil for AI servers*

#### *Background and Challenges*

Explosive growth in AI has driven urgent demand for higher computing power and extreme data-transfer performance, prompting hardware upgrades. Next-generation servers need many high-density interconnect (HDI) substrate boards to ensure high-frequency, high-speed signal transmission. Skin effect concentrates current at conductor surfaces during high-frequency transmission. If copper foil surface roughness is too high, signal path length increases and significant insertion loss occurs. Standard copper foil cannot meet this, and HVLP foil with much lower surface roughness is required.

Our customer, a leading AI PCB manufacturer, supplies high-performance AI servers and holds many HDI substrate orders. To ensure that their HDIs work well on high-performance AI servers, they impose strict requirements for our copper foil, including (i) ultra-low surface profile to minimize high-frequency transmission loss, (ii) stable peel strength between foil and substrate even at low roughness, and (iii) stable tensile strength and elongation, with no surface defects.

#### *Development Process*

Our research and development is centered around our customer’s application scenarios and the related technical needs. By continuously delivering samples and collecting feedback, we established a “data feedback to development optimization” closed loop to guide precise iterative improvements and process consolidation, enabling mass production and stable supply of our products.

## BUSINESS

| Stage | Tasks                                                       | Solutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I     | Requirement analysis and specification definition . . . . . | <ul style="list-style-type: none"> <li>Key targets for HVLP3 defined together with the customer: thickness: 18 <math>\mu\text{m}</math>; tensile strength: room temp <math>\geq 280</math> MPa, high temp <math>\geq 150</math> MPa; elongation: <math>\geq 6\%</math>; surface profile: Shiny surface-side <math>R_a \leq 0.3</math> <math>\mu\text{m}</math>, Matte surface-side <math>R_z \leq 1.0</math> <math>\mu\text{m}</math>; and peel strength: <math>\geq 0.5</math> N/mm.</li> <li>Risk identification: achieving sub-micron roughness is very difficult; reducing roughness may lower peel strength after lamination, imposing higher demands on electroplating, additive recipes, and surface treatments.</li> <li>Solutions and measures: (i) nanoscale grain deposition control: we used proprietary composite organic additives to induce uniform, dense nano-scale copper nucleation on the cathode roll surface to optimize microstructure and enable sub-micron surface morphology. (ii) molecular-level interface strengthening: to counter reduced physical anchoring at low roughness, develop specialized silane coupling agent formulas to create strong chemical bonding “bridges” between copper and resin substrate, shifting bonding from physical interlock to chemical bonding.</li> </ul> |
| II    | Lab sample development and iterative optimization.          | <ul style="list-style-type: none"> <li>Prepare samples via additive formulas and process variants based on HVLP1 and HVLP2.</li> <li>Sample improvement: we optimized process parameters and adjusted silane coupling agent formula to stabilize peel strength.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| III   | Pilot production and joint validation . . . . .             | <ul style="list-style-type: none"> <li>Reel-sample production: ensure pilot reel manufacture through process and equipment optimization.</li> <li>Production line trials: observe foil behavior in pressing, etching and other processes, and optimize to reach expected production performance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| IV    | Capacity ramp-up and stable supply . . . . .                | Currently, the newly developed product is in the validation stage by our customer. Subsequent production will implement strict SPC to ensure batch consistency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

### Conclusion

We successfully developed HVLP3 copper foil, which has met key indicators in roughness, peel strength, and mechanical properties and is in the validation stage by our customer. This collaborative development project demonstrates our distinction as a high-end solutions provider beyond a traditional copper-foil producer, and our capability to provide high-performance PCB copper foil solutions.

### Key Development Focus

In addition to our established portfolio, we are advancing the development of next-generation electronic circuit copper foil products to serve applications in AI infrastructure, high-performance computing, and high-speed communications. Our research and development efforts are primarily focused on further refining surface roughness and minimizing signal insertion loss, while also exploring smart

## BUSINESS

materials with dynamic thermal properties. Key ongoing projects include the next-generation RTF4-5 series, HVLP5 series and carrier copper foil series, as well as the innovative temperature-adaptive electronic circuit copper foil.

The following table details the key specifications, core characteristics, and primary applications of our critical electronic circuit copper foil products under development:

| Product Series                       | Primary Applications                                                                                                         | Core Characteristics                                                                                                                                                                                             |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RTF4-5 series . . .                  | Next-generation AI servers, data centers, advanced computing platforms                                                       | Higher-grade double-sided treatment with further reduced roughness for even lower signal insertion loss, while maintaining excellent peel strength                                                               |
| HVLP5 series . . .                   | Next-generation computing platforms, M8/M9 grade substrates                                                                  | Highest-grade low-profile foil for current mainstream market, with ultra-low surface roughness (target $R_z \leq 0.5 \mu\text{m}$ ), optimized for the most demanding high-frequency and high-speed applications |
| Carrier copper foil series . . . . . | IC package substrates, substrate-like PCBs, mSAP (“ <b>Modified Semi-Additive Process</b> ”) ultra-fine line smartphone PCBs | Ultra-thin supported by a peelable carrier for high stability, reducing etching time and undercut effects, with a low roughness profile designed for high-density, ultra-fine circuitry                          |

## RESEARCH AND DEVELOPMENT

The electrolytic copper foil industry is characterized by rapid technological advances, innovation and evolving customer demands. Our competitiveness and market positioning are therefore fundamentally dependent on our ability to consistently develop and commercialize innovative, high-performance products that meet these stringent and evolving requirements. To this end, we rely on our research and development to establish and strengthen our market position.

Our technologies enable us to develop high-performance copper foil, differentiating us from our competitors. Our technologies and technology platform are continually iterated and refined through our continuous in-house research and development as well as strategic collaborations with our industry-leading customers. This ongoing refinement drives improvements in critical product performance metrics, including tensile strength, elongation, surface roughness, and signal integrity. Iteration of our technology platform enhances product reliability, optimizes production costs, and enables the expansion of our product portfolio into diversified application areas. This enables us to (i) timely meet the evolving demands of our customers, (ii) leverage first mover advantage in new product generations and diversify our product offerings more effectively, and (iii) achieve scalable production quickly and become more cost effective.

We invested significant resources into the design, research and development of our products and technologies. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses was RMB53.8 million, RMB46.8 million, RMB49.4 million, RMB21.5 million and RMB36.3 million, respectively, supporting continuous innovation and technological progression across our product portfolio. We recorded relatively higher research and development expenses in 2023 and 2025 and the six months ended June 30, 2026, primarily because we had more research and development projects in 2023 for the development of high-performance products targeting fast growing markets such as ESS and AI data center, in 2025 for the development of solid-state

## BUSINESS

batteries, and in the six months ended June 30, 2026 for the continuous development of solid-state batteries and the development of new products targeting fast growing markets such as low-altitude economy and super-fast-charging batteries, respectively.

As of June 30, 2026, our research and development team comprised 191 highly qualified professionals with deep expertise in electrochemistry, materials science, precision mechanical engineering, and end-to-end product development. We had also obtained the approval for the establishment of a national postdoctoral center, a platform for recruiting and cultivating high-level postdoctoral researchers to bolster our R&D capabilities, as of the Latest Practicable Date. This dedicated, expert-led team enables us to stay at the forefront of industry trends and maintain technological leadership in the electrolytic copper foil market.

### Our Technologies

We place a strong emphasis on the independent research and development of our core technologies. As of the Latest Practicable Date, we had accumulated 101 patents and a substantial portfolio of in-house know-how and trade secrets, forming a solid technological barrier that supports our competitive position. Our proprietary technologies span the entire production process, covering copper dissolution, foil generation, surface treatment, slicing, and packaging.

Central to our technological edge is our mastery of proprietary additive formulation and precision control, a key differentiator that enables tailored performance in our products. Through deep research into component interactions and systematic calibration with core process parameters, we have developed and refined in-house additive formulas. This capability allows us to engineer product characteristics with a high degree of precision, such as achieving ultra tensile strength and elongation in ultra-thin lithium battery copper foils and delivering ultra-low surface roughness alongside reliable peel strength in electronic circuit copper foils. Our self-developed additive formulas not only ensures superior product consistency and quality but also provides a wide operational window, enhancing both flexibility and efficiency in manufacturing.

Building on this foundation, we have successfully commercialized a series of high-value products, including ultra-high-strength, high-elongation ultra-thin lithium battery copper foils and RTF and HVLP electronic circuit copper foils. Moreover, we have completed the research and development and production readiness of key innovations such as new coated current collector for sodium-ion batteries and have advanced several innovation projects to pilot-scale production such as novel multi-metal anode current collectors for solid-state battery systems. Our core technologies are summarized in the following table:

| No. | Core technology                                 | Technology category | Key descriptions                                                                                                                        | Primary application                       |
|-----|-------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1.  | Efficient dissolution . . .                     | Copper dissolution  | Improves liquid-gas mixing and reaction efficiency, enhancing copper dissolution while reducing energy use.                             | Lithium battery & electronic circuit foil |
| 2.  | High-current long-length generation . . . . .   | Foil generation     | Prevents edge tearing and optimizes winding for stable, long-length foil production under high-current conditions.                      | Lithium battery & electronic circuit foil |
| 3.. | High-precision generator optimization . . . . . | Foil generation     | Enhance fluid consistency, drying efficiency, and winding stability for uniform foil density and reduced defects                        | Lithium battery & electronic circuit foil |
| 4.  | Surface treatment enhancement. . . . .          | Surface treatment   | A copper foil surface roughening treatment device with simple structure, which is environmental-friendly and convenient for maintenance | Electronic circuit foil                   |

## BUSINESS

| No. | Core technology                                 | Technology category | Key descriptions                                                                                                                 | Primary application                       |
|-----|-------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 5.  | High-speed large-diameter slitting. . . .       | Slitting            | Enables stable, high-speed slitting of large rolls through tension control optimization                                          | Lithium battery & electronic circuit foil |
| 6.  | High-quality edge trimming . . . . .            | Slitting            | Reduces burrs, copper dust, and blade adhesion during high-speed slitting for cleaner edges                                      | Lithium battery & electronic circuit foil |
| 7.  | Slitting quality inspection . . . . .           | Slitting            | Real-time monitoring of thickness during slitting to improve quality consistency.                                                | Lithium battery & electronic circuit foil |
| 8.  | Anti-oxidation packaging                        | Packaging           | Optimize materials and methods to prevent edge oxidation without vacuum packaging, lowering costs.                               | Lithium battery & electronic circuit foil |
| 9.  | Cathode drum polishing.                         | Line optimization   | Improves polishing precision and consistency, extending drum life and enhancing foil uniformity.                                 | Lithium battery & electronic circuit foil |
| 10. | Smart manufacturing production . . . . .        | Line optimization   | Real-time monitoring of process parameters (copper/acid concentration, flow rates) for consistent electrolyte quality.           | Lithium battery foil                      |
| 11. | Ultra-low chromium anti-oxidation . . . . .     | Green technology    | Optimize processing parameters to reduce the chromium content in the passivation layer and ensure excellent oxidation resistance | Lithium battery foil                      |
| 12. | Environmental-friendly surface treatment . . .  | Green technology    | Use eco-friendly alternatives in roughening while maintaining performance                                                        | Electronic circuit foil                   |
| 13. | Ultra-thin high-strength high-elongation foil . | Product (additives) | Optimize additives and deposition to maintain strength and elongation in ultra-thin foils (4-6 $\mu\text{m}$ )                   | Lithium battery foil                      |
| 14. | High peel strength electronic circuit foil      | Product (additives) | Uses additive and roughening control to achieve low roughness and high peel strength                                             | Electronic circuit foil                   |
| 15. | Ultra-high strength ultra-thin foil . . . . .   | Product (additives) | Integrate deposition, heat treatment, and precision equipment to produce foils >700 MPa at 4-6 $\mu\text{m}$                     | Lithium battery foil                      |
| 16. | Porous foil for solid liquid batteries . . . .  | Product             | Laser or electrochemical methods create adjustable pores for improved electrolyte wetting and conductivity                       | Next generation lithium battery foil      |
| 17. | Multi-metal anode current collector . . . .     | Product             | Alloy design and coating for high conductivity and stability in solid-state batteries                                            | Solid-state battery foil                  |
| 18. | RTF1-3 . . . . .                                | Product             | Double-sided treatment: ultra-smooth side for low loss, treated side for strong adhesion                                         | Electronic circuit foil                   |
| 19. | HVLP1-3 . . . . .                               | Product             | Ultra-low roughness ( $R_z \leq 1.0 \mu\text{m}$ (HVLP3)) for minimal signal loss in high-frequency high speed applications      | Electronic circuit foil                   |
| 20. | RTF4-5 . . . . .                                | Product             | Next generation RTF with further reduced roughness for data centers and AI servers                                               | Electronic circuit foil                   |

## BUSINESS

| No. | Core technology                                                 | Technology category | Key descriptions                                                                                                                                                                                                                                                                                   | Primary application                                |
|-----|-----------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| 21. | HVLP4-5 . . . . .                                               | Product             | Advanced HVLP with target roughness ( $R_z \leq 0.5 \mu\text{m}$ (HVLP5), $R_z \leq 0.8 \mu\text{m}$ (HVLP4)) for cutting-edge communication/AI hardware                                                                                                                                           | Electronic circuit foil                            |
| 22. | Temperature-adaptive foil . . . . .                             | Product             | Dynamic mechanical adjustment with temperature: strength maintained at normal temps, elongation rises sharply at high temps                                                                                                                                                                        | Temperature adaptive foil                          |
| 23  | Special ultra-thin copper foil . . . . .                        | Product             | Maintains high tensile strength $\geq 700 \text{ MPa}$ (after folding and rolling, $\geq 350 \text{ MPa}$ ) at $3\text{--}4.5 \mu\text{m}$ and high cell energy density. Reduces cell swelling, mitigating anode-sheet cracking at late-stage cycle life, enhancing cell-level safety performance. | Lithium copper foil                                |
| 24  | New corrosion-resistant copper foil . . . . .                   | Product             | Features excellent oxidation and corrosion resistance (coating thickness $\geq 0.05 \mu\text{m}$ ), improving battery cycling performance and effectively reducing capacity fade                                                                                                                   | Solid-state batteries foil and lithium copper foil |
| 25  | New coated current collector for sodium-ion batteries . . . . . | Product             | Features lightweight and low cost, enabling an anode-free design that eliminates anode active material to further reduce costs                                                                                                                                                                     | Sodium-ion batteries                               |

### Our Research and Development Platforms

We have two primary research and development facilities, the Midas Sci-lab and the Hephaestus Tech-lab, serving as the engine of our research and development. We have established a comprehensive research and development process that spans fundamental material science, proprietary additive formulas, rigorous process optimization, and pilot-scale production.

Our Midas Sci-lab was established with the stated mission of advancing industry evolution through innovative foil materials. The laboratory closely monitors technological trends in the AI and high-performance computing and new energy industries, and is committed to developing frontier products with broad application potential, such as RTF, HVLP and carrier copper foil, among others. Its principal research areas are (i) high-performance electronic circuit copper foil materials, including advanced high-frequency/high-speed electronic circuit copper foil products, such as RTF4–5 and HVLP5 designed for AI and high-performance computing and 5G/6G applications, and (ii) high-performance anode current collectors for advanced batteries, including ultra-thin, ultra-high strength copper foils and multi-metal foils for solid-state batteries. Midas Sci-lab’s research and development team comprises several senior experts with over 20 years of industry experience as well as enthusiastic young researchers, including postdoctoral researchers and master/doctoral talents, with deep practical expertise in electrochemistry, materials science, precision mechanical engineering and full-cycle product development. This team strength underpins the laboratory’s ability to follow industry trends and maintain a leading position in the electrolytic copper-foil market.

Our Hephaestus Tech-lab is dedicated to the ongoing development and iterative improvement of lithium-ion battery copper foil products and related manufacturing processes. The laboratory’s core positioning is focused on the lithium battery copper foil sector and on application scenarios for downstream battery manufacturers. In response to industry demands for “thinner, stronger, greener” materials, our Hephaestus Tech-lab continuously develops and upgrades ultra-thin, high-performance copper foils and environmentally friendlier production processes, offering product solutions for NEV, ESS and related applications to enhance overall battery performance and to explore new technology applications. The laboratory’s research and development team includes multiple senior experts with over 20 years of industry experience.

Our Midas Sci-lab and Hephaestus Tech-lab together constitute our two principal research and development platforms, enabling technology sharing and collaborative innovation.

Spanning over 2,100 square meters, our research and development facilities have been recognized as a Provincial-Level Technology Center (省級技術中心) and Provincial-Level Engineering Center (省級工程中心). We had also obtained the approval for the establishment of a national postdoctoral center, a platform for recruiting and cultivating high-level postdoctoral researchers to bolster our R&D capabilities, as of the Latest Practicable Date. We are systematically progressing toward accreditation by the China National Accreditation Service for Conformity Assessment (CNAS)(中國合格評定國家認可委員會), aiming to further enhance the international credibility of our research and development facilities’ technical capabilities, strengthen the market competitiveness of our products, and facilitate deeper collaboration with global customers.

## BUSINESS

---

We actively engage in industry-academia partnerships with leading domestic universities and research institutions, focusing on cutting-edge product development. In 2025, we were designated as a National Specialized and New Key “Little Giant” Enterprise. Additionally, we have established long-term strategic partnerships with leading lithium battery and high-performance PCB customers to jointly advance R&D and industrialization projects. These collaborations include the development of frontier products and solutions such as ultra-high strength ultra-thin copper foil, new coated current collector for sodium-ion batteries, multi-metal anode current collector materials, advanced temperature-adaptive copper foil, and high-frequency, high-speed electronic circuit copper foil.

### Research and Development Process

Our research and development process is a systematic, application scenario-driven and application-driven framework designed to translate emerging industry trends and specific customer requirements into commercialized, high-performance products. It is structured into four sequential yet interconnected stages.

- ***Market assessment and requirement definition.*** We continuously monitor macro-market trends, such as increasing NEV battery energy density, progress in solid-state battery development, and demand for high-frequency high speed PCB driven by AI and high-performance computing and 5G/6G communications and AI, which serve as primary drivers for electrolytic copper foil technology evolution. Our market team actively gathers OEM intelligence to rapidly respond to downstream customer needs. These insights are translated into precise product specifications, including thickness, areal density uniformity, tensile strength, elongation, surface roughness, and specific electrical properties, forming clear targets for subsequent research and development.
- ***Technology development and verification.*** This stage focuses on overcoming core technical challenges related to formulation, process, and equipment integration. Our research and development team, leveraging expertise in electrochemistry, materials science, and precision engineering, addresses critical hurdles such as electrolyte formulation, additive systems, current density control, cathode drum surface treatment, and surface finishing. Laboratory-scale experiments are conducted to validate technical feasibility and optimize processes. Concurrently, we proactively pursue intellectual property protection through patent filings to secure our technological advancements and strengthen our competitive moat.
- ***Pilot production, sampling and customer qualification.*** This phase validates scalability, consistency, and cost-effectiveness under near-production conditions. Successful lab processes are scaled up in our pilot lines to produce small-batch samples for evaluation by key customers. The qualification process, particularly with leading battery and PCB manufacturers, is rigorous and lengthy, often taking approximately six months. It involves deep technical alignment, quality system and supply chain integration, ultimately establishing long-term, highly embedded partnerships that create significant barriers to entry for competitors.

## BUSINESS

---

- **Capacity build-out and mass production ramp-up.** Following customer qualification or confirmation of firm demand, we initiate customized production and volume shipment. The lead time for building a complete, full-capacity copper foil production line, from planning and construction to stable operation, typically spans up to two years. This phase includes final process optimization, equipment commissioning, and systematic yield ramp-up to ensure consistent, high-volume output that meets commercial and quality standards.

### **Our Collaboration with Customers and Research Institutes**

#### ***Collaboration with Customers***

To solidify our market position and secure sustainable growth, we have established deep and strategic relationships with major downstream customers. These relationships are formalized through comprehensive framework agreements and long-term supply contracts, which encompass not only product supply but also collaborative development, demand alignment, and capacity planning.

A hallmark of our customer engagement model is the close integration of joint technical development with forward-looking demand planning. We work alongside key customers from the early stages of their product roadmaps, co-developing customized products that address specific application challenges. This collaborative approach not only enhances product performance but also optimizes delivery efficiency and ensures supply chain stability. In certain agreements, we have committed to dedicated capacity allocation, priority supply terms, and pricing advantages, reflecting mutual trust and strategic alignment with our leading customers. These long-term, structured partnerships provide us with enhanced demand visibility, support continuous product iteration, and reinforce our role as a critical and embedded supplier within our customers’ advanced technology ecosystems.

Our strategic partnership with Customer A, a globally leading battery manufacturer, exemplifies this fully integrated, multi-phase alliance that began with joint innovation and gradually matured into secured, high-volume supply. The collaboration was initiated through a structured co-development framework agreement where we function as an extension of the customer’s research and development team to pioneer next-generation materials, such as novel alloy foil current collectors for advanced batteries. This phase is governed by mutual commitments: all resulting intellectual property is owned by the customer, while we are bound by long-term non-compete provisions, creating a deeply embedded and exclusive technology partnership. Following successful validation, the relationship transitioned to a binding supply phase. Under a long-term supply agreement, Customer A provides significant volume commitments, ensuring predictable demand. In turn, we formalize our production dedication through a capacity commitment letter, which prioritizes their supply and details a clear ramp-up schedule to meet their forecasted needs. This reciprocal arrangement secures our role as a core, strategic supplier and supports our capacity planning.

Ultimately, this model creates a symbiotic and resilient partnership characterized by aligned research and development roadmaps, mutual operational dependency, and secured long-term revenue. It demonstrates our ability to move beyond transactional relationships and build competitive moats through deep technical integration and shared growth objectives with industry leaders.

#### ***Collaboration with Research Institutes***

In addition to our robust in-house product development, we actively pursue collaborative relationships with leading academic institutions, including Harbin Institute of Technology, Nanchang University and Jiangxi University of Science and Technology, to broaden our access to innovative technologies and accelerate our development pipeline.

## BUSINESS

---

Our selection of research and development partners is a strategic process. We prioritize collaborators with strong reputations and proven expertise in materials science, electrochemistry, and copper foil applications. We do not outsource our research and development activities to these research institutes, but carefully select collaborative research partners that have similar research goals and synergies with our business to boost both parties’ technological progress. Our established strategic cooperations with research partners exemplify this approach, enhancing our research efficiency and enriching our technology pipeline.

Our collaboration model is structured and outcome-oriented, governed by specific project-based technical development agreements. These agreements define clear objectives, deliverables, and ownership frameworks, ensuring focused and efficient partnerships. Key terms from our active collaborations are summarized below:

- **Service.** Each collaboration is centered on a specific, well-defined research and development project with clear technical objectives, rather than open-ended research.
- **Term.** Engagements are typically established for fixed, multi-year periods, aligning with the project’s development timeline.
- **Responsibilities.** We are responsible for proposing research topics and formulating research plans. Both parties will jointly conduct experimental studies. Specifically, the research institute conducts in-depth theoretical experiments and provides technical guidance to our experiment staff, while we conduct pilot trials and mass production of the relevant products generated from the research projects.
- **Payments.** Project payments are disbursed in phases tied to achieving specific technical and developmental milestones.
- **Intellectual property rights.** A critical and consistent term across all agreements is that all intellectual property generated, including patent application rights and rights to technical secrets, is owned solely by us.
- **Confidentiality.** Both parties are bound by permanent confidentiality obligations regarding all technical information, data, and results exchanged or generated during the collaboration.
- **Deliverables.** Deliverables are measured against pre-agreed technical performance metrics, and the delivery of concrete results, including qualified product samples, technical reports, and patents.

## BUSINESS

### CUSTOMERS

#### Our Major Customers

Our customer base primarily comprises (i) leading lithium battery manufacturers for applications in electric vehicles, ESS, and consumer electronics; and (ii) major PCB and CCL producers serving the AI and high-performance computing, 5G/6G communications, and automotive electronics sectors. Our revenue from our five largest customers in each period during the Track Record Period amounted to RMB2,712.3 million, RMB2,804.2 million, RMB3,499.5 million and RMB2,803.3 million, respectively, accounting for 85.8%, 87.3%, 83.1% and 82.4% of our total revenue in the same periods, respectively. Our revenue from our largest customer in each period during the Track Record Period amounted to RMB1,533.2 million, RMB1,997.4 million, RMB2,475.8 million and RMB1,870.0, respectively, accounting for 48.5%, 62.2%, 58.8% and 54.9% of our total revenue in the same periods, respectively.

We had 94, 93, 105 and 87 customers in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, with customer retention rate of 53.5%, 75.5%, 86.0% and 61.9% in the same periods, respectively. The following table sets forth the movement in the number of our customers that had transactions with us for the periods indicated:

|                                                                | Years ended December 31, |           |            | Six months ended June 30, |
|----------------------------------------------------------------|--------------------------|-----------|------------|---------------------------|
|                                                                | 2023                     | 2024      | 2025       | 2026                      |
| Number of customers at the beginning of the period: . . . . .  | 127                      | 94        | 93         | 105                       |
| Increase in customers. . . . .                                 | 26                       | 22        | 25         | 22                        |
| Decrease in customers . . . . .                                | 59                       | 23        | 13         | 40                        |
| <b>Number of customers at the end of the period: . . . . .</b> | <b>94</b>                | <b>93</b> | <b>105</b> | <b>87</b>                 |

The number of our customers increased from 2024 to 2025, reflecting our efforts to further expand our customer base and grow our business, and was in line with our rapidly growing downstream markets. The number of our customers decreased from 2025 to the six months ended June 30, 2026, primarily because we have focused on developing and retaining business relationships with major market players who have strong financial viability and business prospects.

## BUSINESS

The following tables set forth certain information of our five largest customers during each period of the Track Record Period, including their identities, background information and transaction details with us.

### *Six Months Ended June 30, 2026*

| Customer               | Background                                                                                                                                                                                                                                                                                                                      | Products sold by us         | Revenue<br>(RMB'000) | As a percentage of our total revenue<br>% | Credit terms and settlement information                                          | Commencement of business relationship |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|-------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------|
| Customer A . . .       | A leading battery technology company established in 2011, headquartered in Ningde, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries, power batteries, and ESS.                                                        | Lithium battery copper foil | 1,869,988            | 54.9                                      | Bank acceptance notes or bank transfer within 30 days upon receipt of invoice    | 2020                                  |
| Customer B . . .       | A battery and new energy technology company established in 2001, headquartered in Huizhou, China and listed on the Shenzhen Stock Exchange, mainly engaging in battery manufacturing and sales, high-performance nonferrous metal materials sales, and electronic components manufacturing.                                     | Lithium battery copper foil | 649,640              | 19.1                                      | Bills settlement or bank acceptance notes within 30 days upon receipt of invoice | 2018                                  |
| Customer H . . .       | A new-energy battery technology company established in 2009, headquartered in Ganzhou, China and listed on the Shanghai Stock Exchange, mainly engaging in the research, development, production, and sales of soft-pack lithium-ion batteries.                                                                                 | Lithium battery copper foil | 137,952              | 4.1                                       | Bank acceptance notes or bank transfer within 30 days upon receipt of invoice    | 2019                                  |
| Customer I . . .       | A lithium-industry integrated enterprise established in 2000, headquartered in Xinyu, China and dual-listed on the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited, mainly engaging in the entire industry chain of lithium resource mining, refining and processing, battery manufacturing, and recycling. | Lithium battery copper foil | 76,521               | 2.2                                       | Bank acceptance notes within 30 days upon receipt of invoice                     | 2020                                  |
| Customer J . . .       | A battery and ESS technology company incorporated in Wuxi, China in November 2018, mainly engaging in the research, development, manufacture and sale of lithium-ion battery-related products.                                                                                                                                  | Lithium battery copper foil | 69,211               | 2.1                                       | Bank acceptance notes or bank transfer within 30 days upon receipt of invoice    | 2024                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                                                                                                 |                             | <b>2,803,312</b>     | <b>82.4%</b>                              |                                                                                  |                                       |

## BUSINESS

### Year Ended December 31, 2025

| Customer         | Background                                                                                                                                                                                                                                                                                   | Products sold by us         | Revenue<br>(RMB'000) | As a percentage of our total revenue<br>(%) | Credit terms and settlement information                      | Commencement of Business Relationship |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|---------------------------------------------|--------------------------------------------------------------|---------------------------------------|
| Customer A . . . | A leading battery technology company established in 2011, headquartered in Ningde, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries, power batteries, and ESS.                     | Lithium battery copper foil | 2,475,820            | 58.8                                        | Bank acceptance notes within 60 days upon receipt of invoice | 2020                                  |
| Customer B . . . | A battery and new energy technology company established in 2001, headquartered in Huizhou, China and listed on the Shenzhen Stock Exchange, mainly engaging in battery manufacturing and sales, high-performance non-ferrous metal materials sales, and electronic components manufacturing. | Lithium battery copper foil | 765,921              | 18.2                                        | Bills settlement within 30 days upon receipt of invoice      | 2018                                  |
| Customer C . . . | A battery and ESS technology company established in 2011, headquartered in Hangzhou, mainly engaging in battery and battery component manufacturing and sales, research and experimental development on engineering and technology, and ESS and new material technology services.            | Lithium battery copper foil | 92,661               | 2.2                                         | Bills settlement within 30 days upon receipt of invoice      | 2021                                  |
| Customer D . . . | A battery and NEV company established in 1995, headquartered in Shenzhen, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries and key NEV components.                                 | Lithium battery copper foil | 86,939               | 2.1                                         | Bills settlement within 30 days upon receipt of invoice      | 2020                                  |
| Customer E . . . | A metal processing company established in 2013, headquartered in Guangzhou, China, mainly engaging in metal surface treatment and synthetic material manufacturing.                                                                                                                          | Lithium battery copper foil | 78,192               | 1.9                                         | Bank acceptance notes settled in the month of sale           | 2020                                  |
| Total . . . . .  |                                                                                                                                                                                                                                                                                              |                             | <u>3,499,532</u>     | <u>83.1%</u>                                |                                                              |                                       |

## BUSINESS

*Year ended December 31, 2024*

| Customer               | Background                                                                                                                                                                                                                                                                                   | Products sold by us         | Revenue<br>(RMB'000) | As a percentage of our total revenue<br>(%) | Credit terms and settlement information                                       | Commencement of Business Relationship |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|---------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------|
| Customer A . . .       | A leading battery technology company established in 2011, headquartered in Ningde, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries, power batteries, and ESS.                     | Lithium battery copper foil | 1,997,404            | 62.2                                        | Bank acceptance notes within 60 days upon receipt of invoice                  | 2020                                  |
| Customer B . . .       | A battery and new energy technology company established in 2001, headquartered in Huizhou, China and listed on the Shenzhen Stock Exchange, mainly engaging in battery manufacturing and sales, high-performance non-ferrous metal materials sales, and electronic components manufacturing. | Lithium battery copper foil | 495,309              | 15.4                                        | Bills settlement within 30 days upon receipt of invoice                       | 2018                                  |
| Customer C . . .       | A battery and ESS technology company established in 2011, headquartered in Hangzhou, mainly engaging in battery and battery component manufacturing and sales, research and experimental development on engineering and technology, and ESS and new material technology services.            | Lithium battery copper foil | 153,673              | 4.8                                         | Bank transfer or bank acceptance notes within 30 days upon receipt of invoice | 2020                                  |
| Customer D . . .       | A battery and NEV company established in 1995, headquartered in Shenzhen, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries and key NEV components.                                 | Lithium battery copper foil | 113,304              | 3.5                                         | Bills settlement within 30 days upon receipt of invoice                       | 2021                                  |
| Customer F . . .       | An electronic material company established in 2015, headquartered in Huangshi, China and listed on the Shanghai Stock Exchange, mainly engaging in the research and development, manufacturing and sales of professional printed circuit board (PCB).                                        | STD copper foil             | 44,545               | 1.4                                         | Bank transfer within 80 days from month of sale                               | 2022                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                                                              |                             | <b>2,804,235</b>     | <b>87.3%</b>                                |                                                                               |                                       |

## BUSINESS

*Year ended December 31, 2023*

| Customer               | Background                                                                                                                                                                                                                                                                                   | Products sold by us         | Revenue<br>(RMB'000) | As a percentage of our total revenue<br>(%) | Credit terms and settlement information                                          | Commencement of Business Relationship |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|---------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------|
| Customer A . . .       | A leading battery technology company established in 2011, headquartered in Ningde, China and listed on the Shenzhen Stock Exchange, the Stock Exchange and mainly engaging in the development, production, and sales of lithium-ion batteries, power batteries, and ESS.                     | Lithium battery copper foil | 1,533,181            | 48.5                                        | Bank acceptance notes within 60 days upon receipt of invoice                     | 2020                                  |
| Customer B . . .       | A battery and new energy technology company established in 2001, headquartered in Huizhou, China and listed on the Shenzhen Stock Exchange, mainly engaging in battery manufacturing and sales, high-performance non-ferrous metal materials sales, and electronic components manufacturing. | Lithium battery copper foil | 497,217              | 15.7                                        | Bank acceptance notes or bills settlement within 30 days upon receipt of invoice | 2018                                  |
| Customer D . . .       | A battery and NEV company established in 1995, headquartered in Shenzhen, China and listed on the Shenzhen Stock Exchange and the Stock Exchange, mainly engaging in the development, production, and sales of lithium-ion batteries and key NEV components.                                 | Lithium battery copper foil | 434,612              | 13.7                                        | Bills settlement within 30 days upon receipt of invoice                          | 2021                                  |
| Customer C . . .       | A battery and ESS technology company established in 2011, headquartered in Hangzhou, mainly engaging in battery and battery component manufacturing and sales, research and experimental development on engineering and technology, and ESS and new material technology services.            | Lithium battery copper foil | 177,721              | 5.6                                         | Bank transfer or bank acceptance notes within 30 days upon receipt of invoice    | 2020                                  |
| Customer G . . .       | A battery and ESS technology company established in 2021, headquartered in Ganzhou, China, mainly engaging in battery manufacturing and sales, and power electronic component manufacturing.                                                                                                 | Lithium battery copper foil | 69,553               | 2.2                                         | Bank acceptance notes within 60 days from month of sale                          | 2022                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                                                              |                             | <b>2,712,283</b>     | <b>85.8%</b>                                |                                                                                  |                                       |

## BUSINESS

---

To the best knowledge of our Directors, each of our five largest customers for each period during the Track Record Period and up to the Latest Practicable Date is an Independent Third Party. Additionally, to the best knowledge of our Directors, there was no past or present relationships (including financing, trust or otherwise) between us and each of our five largest customers, their respective substantial shareholders, directors or senior management, or any of their respective associates during the Track Record Period and up to the Latest Practicable Date. None of our Directors, their close associates, or any Shareholder, which to the best knowledge of our Directors owns more than 5% of the total number of issued Shares, had any interest in any of our five largest customers for each period during the Track Record Period and up to the Latest Practicable Date.

### **Our Relationship with Customer A**

During each period of the Track Record Period, Customer A was our single largest customer, the revenue from which accounting for 48.5%, 62.2%, 58.8% and 54.9% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our Directors consider that, although the revenue from Customer A was relatively concentrated during the Track Record Period, our business model is still sustainable, because (i) our relationship with Customer A is unlikely to materially deteriorate or terminate; and (ii) with the rapid expansion of our production capacity, we are continuously exploring new opportunities to further diversify our customer composition. Concurrent with our successful engagement of new customers, our Directors believe that it is unlikely that there will be a material adverse change in or termination of our relationship with Customer A for the following reasons:

#### ***Customer A’s Dominant Market Leadership***

Our business model is characterized by strategic, long-term partnerships with leading industry players, a well-established norm in the electrolytic copper foil industry. The close cooperation between copper foil suppliers and major battery manufacturers and PCB/CCL producers, where both parties commit to stable supply relationships, represents standard industry paradigm. It is common for copper foil manufacturers to derive a substantial portion of their revenue from a limited number of major customers, according to Frost & Sullivan, particularly during periods of capacity expansion and market penetration. This pattern is consistently observed across the industry, where other established competitors have similarly demonstrated significant customer concentration during their respective growth phases, reflecting the capital-intensive nature of the business and the stringent qualification requirements of downstream customers.

Specifically, Customer A has been the world’s largest lithium battery producer for multiple consecutive years, far ahead of its closest competitors, according to Frost & Sullivan. Specifically, customer A has a market share of 43.4% in the lithium battery production industry in terms of installed volume in 2025, while the second largest player has a market share of 21.6%, according to the same source. As a result, it is inevitable for lithium battery copper foil supplier, like us, to have significant transactions with Customer A if we desire to improve or maintain our market share in the lithium battery copper foil sector. This in turn demonstrates our market leadership and industry recognition, and serves as a testament for our cooperation with other customers.

#### ***Mutual Benefits with Customer A***

Customer A has been our strategic collaborator since 2020, and strategic shareholder through a private equity fund since 2022. In addition, our partnership with Customer A for the supply of copper foil and research and development collaboration represents a deeply synergistic relationship that created substantial value for both organizations. Firstly, this collaboration has established us as a strategic copper foil supplier across multiple battery platforms within Customer A’s extensive product portfolio,

## BUSINESS

---

directly supporting their rapid global expansion in the ESS and NEV markets. Secondly, this collaboration gives us exclusive or priority right to supply jointly-developed products under the relevant collaboration agreements to Customer A when certain conditions are met, such as meeting Customer A’s requirements for production capacity, product quality and unit price. Last but not the least, we also procured copper wire from Customer A during the Track Record Period. In 2023, 2024 and 2025 and the six months ended June 30, 2026, Customer A’s purchase amount from us in each period during the Track Record Period accounted for nil, nil, 9.0% and nil of our total purchases in the same periods, respectively.

The following summarizes the salient terms of our strategic framework with Customer A.

### Novel Current Collector Materials Development Agreements

- **Scope of collaboration.** We collaborate with Customer A to develop novel current collector materials, including alloy foil modified current collector, novel ultra-thin CRF current collector, and ultra-thin high-performance special-grade copper foil. The collaboration covers the development of additive formulas, production processes, and pilot system debugging. The project targets high-performance specifications, characterized by specific technical indicators, including but not limited to tensile strength and elongation rate, as stipulated by Customer A.
- **Milestones.** The development roadmap follows a strict timeline initiated upon the signing of the agreement, including (i) establishment of a dedicated project team, (ii) completion of necessary equipment procurement and modification, finalization of additive formulas and production of small-scale samples, (iii) solidification of roll sample formulas and process parameters, and (iv) completion of pilot line sample preparation, optimization, and submission of the technical verification report.
- **Project testing and acceptance.** We shall conduct initial tests on all work products before submitting them to Customer A. Once submitted, Customer A performs acceptance testing. If the work product fails acceptance test, we shall rectify the errors within certain days specified by Customer A and resubmit the rectified products. The risk associated with the work products remains with us until final acceptance is confirmed by Customer A.
- **Technical support.** Following the successful acceptance of the project results, we have committed to providing 12 to 36 months of free technical support, consulting, and training based on the technical specifications. This includes rectifying any errors or defects at no cost. We may only charge for support if the request involves substantial new functional modifications requiring significant manpower, subject to prior written agreement.
- **Product acceptance.** We guarantee that the manufactured products follow standard testing procedures and meet Customer A’s quality requirements. Customer A reserves the right to inspect and test products prior to shipment. Risk of loss remains with us until the products pass Customer A’s acceptance process.
- **Ownership of IP.** All intellectual property generated during the collaboration (“Project IP”), including product structures, chemical formulas, manufacturing process parameters, and cell application technologies, belongs solely to Customer A. We retain ownership of our existing IP prior to the collaboration (“Background IP”). Notwithstanding, we grant Customer A a permanent, global, royalty-free, and irrevocable license to use any Background IP necessary to implement or exploit the Project IP.

## BUSINESS

---

- **Exclusive or priority supply right.** We are designated as a primary supplier for the developed products. Upon successful development and market launch of the products, contingent on meeting Customer A’s requirements regarding cost, quality, and capacity, we are granted either an exclusive right for a period of one to five years or a priority right to supply such jointly-developed products to Customer A.
- **Anti-corruption.** Both parties agree to strict integrity and anti-bribery standards. We are prohibited from offering bribes, kickbacks, or any other improper benefits to Customer A’s employees. If we breach this clause, Customer A has the right to terminate all agreements immediately without liability and claim damages for breach of contract.
- **Term and termination.** Three years since the signing of the agreement or until fulfillment of the agreement. The agreement will automatically renew for one year if neither party terminates the agreement within one month before the expiration of the agreement.

### Procurement Framework Contract

- **Products sold.** The agreement governs the supply of a broad range of materials as specified in individual purchase orders. This includes cell chemical materials, metallic materials, metallic components, electronic components, and other production raw materials.
- **Pricing and Commercial Terms.** We have committed to providing Customer A with competitive market pricing, ensuring that the prices offered are no higher than those provided to other customers under similar commercial conditions. The specific product quantities, specifications, and prices are determined through individual purchase orders issued by Customer A.
- **Delivery.** Unless otherwise specified in a purchase order, all products are delivered on a Delivered Duty Paid (DDP) basis to locations designated by Customer A. We bear all risks and costs regarding transportation, insurance, and packaging until acceptance.
- **Packaging.** Packaging must meet Customer A’s specifications or industry standards to ensure safety. The cost of packaging is included in the quoted product price. Strict labeling requirements apply, including purchase order numbers, batch numbers, production dates and quality inspection. Environmental labels must be applied where applicable.
- **Acceptance.** Upon arrival, Customer A performs a count and appearance check. This does not constitute final quality acceptance. Customer A reserves the right to reject defects discovered later during production or usage, even after the initial receipt. We have waived the right to object to delayed defect notifications for such latent issues.
- **Quality control.** We provide extensive warranty periods commencing from the date the end-product is registered by the terminal customer. Notably: (i) rigid copper/aluminum busbars and cabinets: 8 years, (ii) flexible copper/aluminum busbars: 5 years, and (iii) general non-electrical materials: 8 years or statutory requirement.
- **Payment.** Payment is conditional upon final acceptance of goods, reconciliation of accounts, and receipt of a valid VAT invoice. Customer A is entitled to deduct any debts or damages owed by us (or our affiliates) directly from payable invoices. We are required to retain relevant financial and production records for three years after the final payment to facilitate audits by Customer A.

---

## BUSINESS

---

- **Supply Chain Compliance.** We have pledged full compliance with Customer A’s “Responsible Supply Chain” requirements. This includes comprehensive traceability of raw materials down to the primary mine level (including copper, lithium, and cobalt) to ensure no conflict minerals are used. Furthermore, we strictly adhere to environmental, health, and safety (EHS) standards and anti-bribery protocols.
- **Anti-corruption.** We are strictly prohibited from offering bribes, kickbacks, gifts, or improper benefits to Customer A’s employees. We must disclose if any of our management personnel are related to Customer A’s employees. A breach of these integrity clauses entitles Customer A to immediately terminate the contract and claim damages.

The depth of our integration with Customer A is evidenced by consistently growing supply volumes and expanding application across their product lines. During the Track Record Period, Customer A’s purchases from us increased by 30.3% from 2023 to 2024, by 24.0% from 2024 to 2025 and by 72.9% from the six months ended June 30, 2025 to the six months ended June 30, 2026. Based on the signed sales agreement to Customer A, we expect that Customer A’s purchases from us will continue to experience two-digits increase from 2025 to 2026. In addition, during the Track Record Period, all of our research collaborations with Customer A were converted to sales orders to Customer A. Our copper foil products have been progressively adopted across an increasing number of Customer A’s battery platforms, now covering several of their key automotive and energy storage applications. This expanding integration demonstrates the superior technical performance, consistent quality, and exceptional reliability of our products in meeting the demanding specifications of cutting-edge battery technologies.

The mutual benefits derived from this relationship extend beyond commercial transactions to encompass shared technological advancement and joint market development, creating a sustainable competitive advantage for both companies in the rapidly evolving new energy landscape.

### ***Customer Diversification and Ability to Develop New Customers***

Our demonstrated capability to consistently develop and deliver high-performance copper foil products has been validated through our successful, long-term partnerships with established key customers. Building upon these foundational relationships, we have expanded our customer portfolio by cultivating new customer relationships across diverse market segments. During the Track Record Period, we secured over 1,300 significant supply agreements with multiple prominent lithium battery manufacturers, with total contract amount of over RMB12,000 million, representing crucial milestones in our market penetration strategy. In addition, we focus our business development efforts in cooperations with large-scale, premium customers. Specifically, we started to supply electronic circuit copper foil products to a leading AI PCB manufacturer in China in 2026, mainly RTF1 and HVLPI products. We have also supplied lithium battery copper foil products to two leading Korean lithium battery manufacturers in 2025 and sent sample products to another leading Korean lithium battery manufacturer in 2026, which has admitted us onto its qualified supplier list. Since 2025, our sales have been limited by our production capacity. As we have scaled our production capacity, we believe that we will be able to serve more customers.

### ***Costs and Barriers for Replacing Electrolytic Copper Foil Suppliers***

Electrolytic copper foil serves as a critical component in lithium batteries, functioning as the anode current collector that directly impacts battery energy density, safety performance, and cycle life. The specialized nature of high-performance copper foil manufacturing creates significant barriers to supplier substitution, fostering generally stable relationships between copper foil suppliers and their customers for several compelling reasons:

## BUSINESS

---

### *Technical Integration and Qualification Requirements*

Battery manufacturers and copper foil suppliers engage in extensive collaborative development to customize copper foil products for specific battery designs and performance requirements. The supplier qualification process typically involves a lengthy process. We have passed high threshold supplier validation requirements of Customer A, jointly developed copper foil products with Customer A, and supplied a scale, stable supplies of copper foil products to Customer A, forming a robust solidarity and making us not easily replaceable in their supply chain. To transition to an alternative copper foil supplier, battery manufacturers must replicate this entire qualification process, engaging multiple departments, and obtain battery manufacturers’ customers’ approvals. The substantial investment of time, resources, and engineering effort required represents a significant switching cost that naturally discourages frequent supplier changes.

### *Market Concentration and Production Capability*

The high-performance electrolytic copper foil market features concentrated supply, with a limited number of manufacturers possessing the technical capability and production scale to meet the requirements of leading battery producers. Specifications for advanced products like ultra-thin, high-strength copper foils further limit the pool of qualified suppliers. According to Frost & Sullivan, as of the Latest Practicable Date, there were no more than five qualified suppliers from whom Customer A can source substitute products. Our demonstrated production capability positions us among the few suppliers capable of supporting the massive scale requirements of major battery manufacturers.

### *Performance and Safety Considerations*

Copper foil quality directly impacts critical battery performance and safety metrics. Even minor defects can lead to serious issues including internal short circuits and thermal runaway. This sensitivity makes battery manufacturers exceptionally cautious in their supplier selection. Our proven track record across multiple battery platforms, IATF 16949 certification, and numerous customer quality awards demonstrate our ability to meet the most demanding standards. This established reliability makes customers unlikely to risk transitioning to unproven suppliers.

### **Sales Agreements**

We typically enter into annual or long-term framework sales agreements with purchase orders with our customers. As most of our customers are market leaders in their respective industries, the terms of our sales agreements vary. The following sets forth the general salient terms of our sales agreements:

- **Duration.** The term of our framework agreements generally ranges from one to three years, or is agreed upon as a long-term cooperation, which varies on a case-by-case basis. For example, an agreement with a major customer is renewed every three years, while another is an annual agreement with automatic renewal clauses or valid until a long-term termination notice.
- **Specification.** Product specifications, including material types (e.g., lithium copper foil for batteries), dimensions (thickness, width), and performance metrics (such as tensile strength and elongation), are typically stipulated in the framework agreements or confirmed through monthly purchase orders.
- **Price.** When transacting with customers, we typically negotiate pricing based on the raw material prices and other factors, and agree that both parties will make adjustments for product pricing accordingly based on the change in the average market price of raw

## BUSINESS

---

materials. The raw material price is typically linked to the average price of copper quoted on major exchanges (e.g., the Shanghai Futures Exchange, Shanghai Nonferrous Metals, or Changjiang Nonferrous Metals) for the preceding month.

- **Confidentiality.** Certain sales agreements contain confidentiality clauses, pursuant to which both parties agree to protect confidential information exchanged during the course of cooperation and not to disclose such information to third parties without consent.
- **Payment term.** We assess payment terms based on customer creditworthiness. Typically, we grant a credit period calculated from the monthly settlement date, generally ranging from 30 to 90 days. Payments are settled via bank transfer, bills or bank acceptance notes.
- **Delivery term.** We are generally responsible for packaging and transporting the products to the location designated by the customer, bearing the insurance and transportation costs. For consignment arrangements, ownership and risk of loss typically transfer to the customer upon their withdrawal of products for use or transfer to their own warehouse; otherwise, risk transfers upon receipt and signing at the designated location.
- **Inspection.** Customers typically inspect the products upon receipt against agreed technical specifications. Any claims regarding quantity or quality defects must be raised within a stipulated period after receipt or discovery; otherwise, the products are deemed accepted.

### Warranty and After-sale Services

We consider timely, high-quality after-sales service to be a critical competitive advantage, as it directly influences customer satisfaction and reinforces long-term partnership decisions. Our service framework comprehensively addresses quality assurance through clear procedures for the return and replacement of any products that fail to meet technical specifications. These processes ensure issues are resolved efficiently, whether through on-site support or analysis in our production base. Beyond reactive issue resolution, our customer service team proactively conducts regular satisfaction evaluations. We systematically gather and analyze client feedback on our products and services. This intelligence is used as a direct input for our continuous improvement initiatives, enabling us to enhance our offerings and solidify trusted, mutually beneficial relationships with our customers.

We generally provide a warranty period of three to six months for our products. We provide product return and exchange services that are tailored to address the requirements and concerns of our customers. We have developed a standard product return procedure that when a customer raises a quality issue with our products, our on-site technical team will promptly verify the concern. Following an internal analysis and review that confirms a product deficiency, our quality control department will inform the customer service team to initiate a return request to complete the return and exchange procedure. During the Track Record Period and up to the Latest Practicable Date, we did not experience material product returns from our customers. We believe such arrangement would foster trusted, stable relationships with customers and sustain our long-term growth.

### SUPPLIERS AND PROCUREMENT

Our supply chain management is fundamental to maintaining the competitive quality and performance standards of our electrolytic copper foil products. During the Track Record Period, our procurement activities were primarily concentrated on the acquisition of high-purity cathode copper, sulfuric acid, proprietary chemical additives, and production equipment in the Chinese mainland. Our supplier base also included providers of facility maintenance, logistics, and other operational support services. To ensure operational consistency, cost efficiency, and stringent quality control across our manufacturing operations, we employ a centrally managed procurement model to optimize raw material costs.

## BUSINESS

---

Our central procurement department has full responsibility for the end-to-end procurement process. This includes critical functions such as supplier qualification approval of all procurement channels, and negotiation of framework agreements and pricing terms. Our production plans and inventory management systems generate demand forecasts that are consolidated by the central procurement team to achieve economies of scale, with purchases executed from a pre-vetted list of qualified suppliers. This centralized structure is fundamental to maintaining supply chain integrity while optimizing our raw material costs through strategic sourcing.

### Supplier Selection and Management

Our supplier selection process is governed by stringent criteria designed to ensure the superior quality and reliability of our raw materials. We employ a multi-faceted evaluation framework that prioritizes a potential supplier’s production capacity, proven track record in product quality and consistency, competitive pricing, delivery reliability, and overall standing and reputation within the industry. This rigorous approach is institutionalized through our standardized supplier selection and management system, which mandates the maintenance of a formal qualified supplier list and requires thorough pre-qualification audits, thereby solidifying the security and stability of our procurement operations.

Our supply base for critical raw materials, most notably high-purity cathode copper, is strategically composed of large-scale, reputable metal suppliers. We engage in dynamic and continuous performance evaluation of all approved suppliers against our defined metrics. This ongoing assessment ensures our supply chain remains robust; suppliers that consistently fail to meet our exacting standards for quality, on-time delivery, or commercial terms are promptly removed from our approved vendor list.

### Supplier Agreements

Our production primarily relies on cathode copper, which constitutes a significant portion of our product cost. Our procurement strategy for this key raw material involves a combination of long-term framework agreements and strategic cooperation agreements, allowing us to balance supply security with cost optimization.

Our agreements with suppliers typically grant us the right to return or exchange materials that fail to meet the specifications outlined in our internal quality standards or accompanying quality documentation upon delivery and inspection. This system, supported by our quality control team, ensures that non-conforming materials are prevented from entering our production and dispensing processes. The below sets forth key terms of our framework agreements with our major suppliers:

- **Validity period.** Agreements are generally effective from the date of signing and remain in force until all obligations under the contract, including delivery, acceptance, payment settlement, and warranty responsibilities, are fulfilled. They are not fixed to a specific calendar term.
- **Purchase order.** For copper wire, the delivered quantity shall be determined based on the actual weight accepted by us. The order quantity shall prevail for settlement if the weight discrepancy is within the range of certain percentage, typically 0.05%.
- **Price.** We primarily adopt a monthly procurement model: copper wire prices are normally based on the previous month’s average price plus a fixed processing fee per ton. In addition, we may, depending on demand, make ad hoc purchases of copper wire at spot prices on the day.

---

## BUSINESS

---

- **Inspection and acceptance.** We must raise any quality or quantity discrepancies in writing within five business days of receipt. Materials must conform to contractual specifications, relevant national/industry standards, and our specific requirements. We have the right to reject non-conforming goods. The supplier must retrieve them and deliver conforming replacements within three to 10 days.
- **Credit terms and payment method.** For copper wire, payment is made within 48 hours of acceptance, excluding weekends.

Owing to our disciplined supplier qualification and inspection protocols, we have not experienced any significant returns or exchanges of supplies that materially impacted our operations during the Track Record Period up to the Latest Practicable Date. Our procurement strategy, combined with efficient inventory management, effectively supports our stable production and ensures the consistent delivery of high-quality products to our customers.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any shortage or delay in procuring our supplies. For risks in relation to our relationships with suppliers, see “Risk Factors — Risks Relating to Our Business and Industry — Our operations depend on a stable, timely and adequate supply of energy at commercially reasonable prices.”

### Our Major Suppliers

Our supplier base primarily comprises copper wire, other raw materials, machinery, as well as electricity providers. Our purchases from our five largest suppliers in each period during the Track Record Period was RMB2,384.8 million, RMB2,474.8 million, RMB2,104.6 million and RMB2,395.8 million, respectively, representing 94.9%, 89.9%, 54.6% and 61.7% of our total purchase amount in the same periods, respectively. Our purchase from our largest supplier in each period during the Track Record Period was RMB632.6 million, RMB684.8 million, RMB549.9 million and RMB1,060.6 million, respectively, representing 25.2%, 24.9%, 14.3% and 27.3% of our total purchase amount in the same periods, respectively. The following tables set forth certain information of our five largest suppliers during each period of the Track Record Period, including their identities, background information and transaction details with us.

## BUSINESS

### *Six Months Ended June 30, 2026*

| Supplier           | Background                                                                                                                                                                                                                                                                      | Major products purchased by us  | Amount of purchase<br>(RMB'000) | As a percentage of our total purchase<br>% | Credit terms and settlement information                                             | Commencement of business relationship |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------|
| Supplier J . . . . | A copper-processing enterprise established in 2016, headquartered in Yugan, China, mainly engaging in the processing and sales of recycled non-ferrous metals, copper material rolling processing and import-export trading of metal products.                                  | Copper wire                     | 1,060,634                       | 27.3                                       | Bank transfer or bank acceptance notes within 48 hours of receipt of goods          | 2025                                  |
| Supplier D . . . . | A non-ferrous metal processing company established in 2016, headquartered in Shangrao, China, mainly engaging in non-ferrous metal rolling and processing, wires and cables manufacturing, and metal materials sales.                                                           | Copper wire                     | 427,448                         | 11.0                                       | Bank transfer or bills within 48 hours of receipt of goods                          | 2024                                  |
| Supplier I . . . . | A non-ferrous metal processing enterprise established in 2016, headquartered in Shangrao, China, mainly engaging in non-ferrous alloy manufacturing and non-ferrous metal rolling processing business, recyclable metal recycling and import-export trading of metal materials. | Copper wire                     | 383,477                         | 9.9                                        | Bank transfer or bank acceptance notes within 48 hours of receipt of goods          | 2019                                  |
| Supplier K . . . . | A new-energy electronic material manufacturer established in 2022, headquartered in Luzhou, China, mainly engaging in lithium-ion battery copper foil manufacturing business, R&D of new-material technologies and sales of high-performance non-ferrous metal materials.       | Copper foil (work in progress)  | 294,602                         | 7.6                                        | Bank transfer or bank acceptance notes upon delivery                                | 2024                                  |
| Supplier C . . . . | A nonferrous metal material company established in 2013, headquartered in Fuzhou, China, mainly engaging in copper product processing, nonferrous metal processing, high-precision copper product development and copper smelting.                                              | Copper wire and other materials | 229,619                         | 5.9                                        | Bank transfer or bank acceptance notes or bills within 48 hours of receipt of goods | 2018                                  |
| Total . . . . .    |                                                                                                                                                                                                                                                                                 |                                 | <u>2,395,780</u>                | <u>61.7%</u>                               |                                                                                     |                                       |

## BUSINESS

### Year Ended December 31, 2025

| Supplier               | Background                                                                                                                                                                                                                                      | Major products purchased by us  | Amount of purchases<br>(RMB'000) | As a percentage of our total purchases<br>(%) | Credit terms and Settlement information                                             | Commencement of Business Relationship |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------|
| Supplier A . . . .     | A non-ferrous metal material supplier established in 2020, headquartered in Yixing, China, mainly engaging in wires and cables manufacturing business, also covering non-ferrous metal rolling processing and metal products sales.             | Copper wire                     | 549,931                          | 14.3                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods          | 2021                                  |
| Supplier D . . . .     | A non-ferrous metal processing company established in 2016, headquartered in Shangrao, China, mainly engaging in non-ferrous metal rolling and processing, wires and cables manufacturing, and metal materials sales                            | Copper wire                     | 434,665                          | 11.3                                          | Bank transfer or bills within 48 hours of receipt of goods                          | 2024                                  |
| Supplier E . . . .     | A non-ferrous metal material and processing company established in 2022, headquartered in Huanggang, China, mainly engaging in non-ferrous metal processing, non-ferrous metal alloy manufacturing, and metal material manufacturing and sales. | Copper wire and other materials | 388,066                          | 10.1                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods          | 2024                                  |
| Supplier C . . . .     | A non-ferrous metal material company established in 2013, headquartered in Fuzhou, China, mainly engaging in copper product processing, non-ferrous metal processing, high-precision copper product development and copper smelting.            | Copper wire and other materials | 385,323                          | 10.0                                          | Bank transfer or bank acceptance notes or bills within 48 hours of receipt of goods | 2018                                  |
| Supplier B . . . .     | An electronic material provider established in 2024, headquartered in Shenzhen, China, mainly engaging in supply chain management services and the manufacturing and sales of new energy-related products.                                      | Copper wire                     | 346,644                          | 9.0                                           | Bank transfer within 30 days of receipt of invoice                                  | 2025                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                 |                                 | <b>2,104,629</b>                 | <b>54.6%</b>                                  |                                                                                     |                                       |

## BUSINESS

### Year ended December 31, 2024

| Supplier               | Background                                                                                                                                                                                                                                                                         | Major products purchased by us  | Amount of purchases<br>(RMB'000) | As a percentage of our total purchases<br>(%) | Credit terms and Settlement information                                    | Commencement of Business Relationship |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------|----------------------------------------------------------------------------|---------------------------------------|
| Supplier A . . . .     | A non-ferrous metal material supplier established in 2020, headquartered in Yixing, China, mainly engaging in wires and cables manufacturing business, also covering non-ferrous metal rolling processing and metal products sales.                                                | Copper wire                     | 684,770                          | 24.9                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods | 2021                                  |
| Supplier C . . . .     | A non-ferrous metal material company established in 2013, headquartered in Fuzhou, China, mainly engaging in copper product processing, non-ferrous metal processing, high-precision copper product development and copper smelting.                                               | Copper wire and other materials | 669,850                          | 24.3                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods | 2018                                  |
| Supplier F . . . .     | A non-ferrous metal processing and material company established in 2020, headquartered in Shangrao, China, mainly engaging in wires and cables manufacturing, and high-performance non-ferrous metal materials processing and sales.                                               | Copper wire                     | 547,707                          | 19.9                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods | 2021                                  |
| Supplier G . . . .     | A copper material company established in 2018, headquartered in Yingtan, China, mainly engaging in the production and processing of copper rods and wires, manufacturing of wires and cables, sales of copper products and minerals, and recovery and utilization of scrap metals. | Copper wire                     | 358,658                          | 13.0                                          | Bank transfer within 48 hours of receipt of goods                          | 2020                                  |
| Supplier H . . . .     | A power utility company established in 1993, headquartered in Nanchang, China, mainly engaging in grid operation, and power production, transmission and sale.                                                                                                                     | Electricity                     | 213,804                          | 7.8                                           | Bank transfer within 48 hours of receipt of goods                          | 2019                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                                                    |                                 | <b>2,474,788</b>                 | <b>89.9%</b>                                  |                                                                            |                                       |

### Year ended December 31, 2023

| Supplier               | Background                                                                                                                                                                                                                                                                         | Major products purchased by us  | Amount of purchases<br>(RMB'000) | As a percentage of our total purchases<br>(%) | Credit terms and Settlement information                                    | Commencement of Business Relationship |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------------------------------------|----------------------------------------------------------------------------|---------------------------------------|
| Supplier A . . . .     | A non-ferrous metal material supplier established in 2020, headquartered in Yixing, China, mainly engaging in wires and cables manufacturing business, also covering non-ferrous metal rolling processing and metal products sales.                                                | Copper wire                     | 632,611                          | 25.2                                          | Bank transfer within 48 hours of receipt of goods                          | 2021                                  |
| Supplier F . . . .     | A non-ferrous metal processing and material company established in 2020, headquartered in Shangrao, China, mainly engaging in wires and cables manufacturing, and high-performance non-ferrous metal materials processing and sales.                                               | Copper wire                     | 481,917                          | 19.2                                          | Bank transfer within 48 hours of receipt of goods                          | 2021                                  |
| Supplier G . . . .     | A copper material company established in 2018, headquartered in Yingtan, China, mainly engaging in the production and processing of copper rods and wires, manufacturing of wires and cables, sales of copper products and minerals, and recovery and utilization of scrap metals. | Copper wire                     | 476,703                          | 19.0                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods | 2020                                  |
| Supplier I . . . .     | A non-ferrous metal material and processing company established in 2016, headquartered in Shangrao, China, mainly engaging in non-ferrous metal casting, alloy manufacturing, and high-performance metal material sales.                                                           | Copper wire                     | 416,317                          | 16.6                                          | Bank transfer or bank acceptance notes within 48 hours of receipt of goods | 2019                                  |
| Supplier C . . . .     | A non-ferrous metal material company established in 2013, headquartered in Fuzhou, China, mainly engaging in copper product processing, non-ferrous metal processing, high-precision copper product development and copper smelting.                                               | Copper wire and other materials | 377,283                          | 15.0                                          | Bank transfer within 48 hours of receipt of goods                          | 2018                                  |
| <b>Total . . . . .</b> |                                                                                                                                                                                                                                                                                    |                                 | <b>2,384,830</b>                 | <b>94.9%</b>                                  |                                                                            |                                       |

## BUSINESS

To the best knowledge of our Directors, each of our five largest suppliers for each period during the Track Record Period and up to the Latest Practicable Date is an Independent Third Party. Additionally, to the best knowledge of our Directors, there was no past or present relationships (including financing, trust or otherwise) between us and each of our five largest suppliers, their respective substantial shareholders, directors or senior management, or any of their respective associates during the Track Record Period and up to the Latest Practicable Date. None of our Directors, their close associates, or any Shareholder, which to the best knowledge of our Directors owns more than 5% of the total number of issued Shares, had any interest in any of our five largest suppliers for each period during the Track Record Period and up to the Latest Practicable Date.

### OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, some of our customers were also our suppliers of raw materials and consumables. From time to time, we purchase copper from our battery manufacturer customers, and our copper wire suppliers purchase copper foil scrap from us. According to Frost & Sullivan, it is common in the industry for battery manufacturers to sell copper and equipment according to their production plan and inventory level, and for copper wire suppliers to purchase copper foil scrap from copper foil producers for recycling purpose. The number of our overlapping customers and suppliers which were among either our five largest customers or five largest suppliers was 2, nil, 2 and 1 in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis. Salient terms of our transactions with our overlapping customers and suppliers are generally similar to those of our other customers and suppliers, and we do not have special arrangement with overlapping customers and suppliers that is materially different from other normal transactions. During the Track Record Period, our gross profit margins generated from the overlapping customers and suppliers were largely consistent with those from other major customers. We did not use our trade payables to the overlapping customers and suppliers to offset against our trade receivables from them during the same periods. The following table sets forth the revenue from and purchases attributable to these overlapping customers and suppliers which were either among our five largest customers or five largest suppliers for the periods indicated:

|                                      | Year ended December 31, |                  |                  | Six months<br>ended June 30, | Year ended December 31, |                  |                  | Six months<br>ended June 30, |
|--------------------------------------|-------------------------|------------------|------------------|------------------------------|-------------------------|------------------|------------------|------------------------------|
|                                      | 2023                    | 2024             | 2025             | 2026                         | 2023                    | 2024             | 2025             | 2026                         |
|                                      | Revenue                 |                  |                  |                              | Purchases               |                  |                  |                              |
|                                      | (RMB'000)               |                  |                  |                              | (RMB'000)               |                  |                  |                              |
| Customer A/Supplier B <sup>(i)</sup> | 1,533,181               | 1,997,404        | 2,475,820        | 1,869,988                    | –                       | –                | 346,644          | –                            |
| Supplier F                           | 15,898                  | –                | –                | –                            | 481,917                 | 547,707          | 321,227          | 53,086                       |
| Supplier G                           | 807                     | –                | –                | –                            | 476,703                 | 358,658          | 257,576          | 69,497                       |
| Supplier I                           | –                       | –                | 22,712           | 67,328                       | 416,317                 | 194,906          | 270,991          | 383,477                      |
| <b>Total</b>                         | <b>1,549,886</b>        | <b>1,997,404</b> | <b>2,498,532</b> | <b>1,937,316</b>             | <b>1,374,937</b>        | <b>1,101,271</b> | <b>1,196,438</b> | <b>506,060</b>               |

Note:

(i) Customer A and Supplier B are fellow subsidiaries under common control of a single group.

### INTELLECTUAL PROPERTY

As an innovation-driven company, protecting our intellectual property is essential to maintaining our competitive position. Independent research and development and technological innovation form the foundation of our success. We implement comprehensive development and investment plans to ensure sustainable growth, and we have established systematic intellectual protection for our innovations, utilizing patents, trademarks, and other legal safeguards.

## BUSINESS

---

We rely on a combination of intellectual property right protection laws in the Chinese mainland, confidentiality procedures, contractual provisions and strict internal procedures to protect our intellectual properties. Our principal intellectual properties include patents, patented trade secrets, confidential know-how, trade marks, and domain names. As of the Latest Practicable Date, we had 101 granted patents, seven registered trade marks, and two registered domain names, which were material to our business. See “Appendix IV — Statutory and General Information — 2. Intellectual property rights” for more details of our material intellectual property rights. Our legal department closely monitors our intellectual properties, ensuring that all necessary application, renewal or filing for such intellectual properties have been timely made to competent authorities, or that any third-party intellectual properties have been reasonably circumvented.

There can be no assurance that our intellectual property protection efforts will be successful. Even if our efforts are successful, we may incur significant costs in defending our rights. From time to time, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims and invalidation applications, which may be time-consuming and costly.”

We fully comply with the intellectual property laws, rules and regulations, and make use of such rules, laws and regulations to protect our intellectual property. During the Track Record Period and up to the Latest Practicable Date, we had not been sued on the basis of, and had not undergone arbitration in respect of, nor had we received any notification from third parties claiming, infringement of any intellectual property or sale of counterfeit products that have had a material adverse effect on our business. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not been the subject of any adverse finding in an investigation or audit by any government authorities in respect of infringement of any intellectual property of third parties or sale of counterfeit products that had a material adverse effect on our business.

## MANUFACTURING AND PRODUCTION

We control the entire production process for our products at our fully integrated facilities in Fuzhou, Jiangxi Province. Our proprietary, self-designed manufacturing process is a key competitive advantage, enabling high efficiency, low capital expenditure, and exceptional production flexibility to switch between product types based on market demand.

### Smart and Automated Manufacturing Facilities

Our manufacturing prowess is anchored by a fully integrated production base situated in Fuzhou, Jiangxi Province. This strategically consolidated hub encompasses two primary, co-located production bases that operate in close synergy to achieve significant economies of scale and operational excellence. The Tongbo Technology (銅博科技) headquarters plant (the “**Tongbo Plant**”) serves a dual function, acting as our corporate management center while simultaneously housing a dedicated production line for high-performance electrolytic copper foil with an annual designed capacity of 20,000 tons. Complementing this is the facility operated by our 92%-owned subsidiary, Shengeng Tongbo (深耕銅箔) (the “**Shengeng Plant**”), which constitutes our primary production base with three manufacturing plants with an annual designed capacity of 50,000 tons. To capture the fast-growing market opportunities, we have built another smart and automated manufacturing plant with an annual designed capacity of 20,000 tons in Sichuan Province in October 2025, which had commenced operation in August 2026. Collectively, these integrated operations provide us with a total consolidated designed capacity of 90,000 tons per annum for the production of high-performance electrolytic copper foil. This co-located structure facilitates centralized command and control, enables the seamless exchange of proprietary technological expertise, and ensures the optimal allocation of resources, thereby underpinning the efficiency and reliability of our core manufacturing operations.

A cornerstone of our operational efficiency is our commitment to smart and automated manufacturing. We have actively deployed advanced automation and smart production lines, optimizing processes and equipment controls to consistently enhance production efficiency, product yield, and quality stability. Our operations have achieved Level 7 digital development certification, reflecting a high degree of manufacturing intelligence. This is evidenced by a fully implemented manufacturing execution system that provides comprehensive end-to-end production traceability, enabling real-time monitoring and data-driven optimization across all stages. We have integrated advanced automation equipment, including robotics for material handling and precision surface treatment, as well as an

## BUSINESS

automated logistics and warehousing system that streamlines material flow and enhances inventory accuracy. Our robust quality control framework, supported by data-centric protocols and certifications such as IATF 16949, ensures exceptional product consistency. According to Frost & Sullivan, our integrated automation and process control systems have enabled us to achieve product yield rates that exceed the industry average for comparable high-performance electrolytic copper foil products. This combination of integrated scale and intelligent manufacturing forms the foundation of our cost-efficient, reliable, and high-quality production operations.

The following table sets forth the production volume, production capacity, and utilization rate of our manufacturing facilities for the periods indicated:

| Name of production base | Location                 | Years ended December 31,                     |                                                |                                 |                                              |                                                |                                 |                                              |                                                |                                 | Six months ended June 30,                    |                                                |                                 |                                              |                                                |                                 |
|-------------------------|--------------------------|----------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------------------|------------------------------------------------|---------------------------------|
|                         |                          | 2023                                         |                                                |                                 | 2024                                         |                                                |                                 | 2025                                         |                                                |                                 | 2025                                         |                                                |                                 | 2026                                         |                                                |                                 |
|                         |                          | Production volume of raw foil <sup>(1)</sup> | Production capacity of raw foil <sup>(2)</sup> | Utilization rate <sup>(3)</sup> | Production volume of raw foil <sup>(1)</sup> | Production capacity of raw foil <sup>(2)</sup> | Utilization rate <sup>(3)</sup> | Production volume of raw foil <sup>(1)</sup> | Production capacity of raw foil <sup>(2)</sup> | Utilization Rate <sup>(3)</sup> | Production volume of raw foil <sup>(1)</sup> | Production capacity of raw foil <sup>(2)</sup> | Utilization rate <sup>(3)</sup> | Production volume of raw foil <sup>(1)</sup> | Production capacity of raw foil <sup>(2)</sup> | Utilization rate <sup>(3)</sup> |
|                         |                          | (tons)                                       | (tons/year)                                    | (%)                             | (tons)                                       | (tons/year)                                    | (%)                             | (tons)                                       | (tons/year)                                    | (%)                             | (tons)                                       | (tons/year)                                    | (%)                             | (tons)                                       | (tons/year)                                    | (%)                             |
| Tongbo Plant . . . . .  | Fuzhou, Jiangxi province | 18,169                                       | 20,289                                         | 89.6                            | 12,868                                       | 20,458                                         | 62.9                            | 18,600                                       | 21,369                                         | 87.0                            | 9,260                                        | 10,685                                         | 86.7                            | 8,046                                        | 10,685                                         | 75.3                            |
| Shengeng Plant . . . .  | Fuzhou, Jiangxi province | 36,618                                       | 36,295                                         | 100.9                           | 34,971                                       | 38,023                                         | 92.0                            | 36,333                                       | 38,023                                         | 95.6                            | 17,946                                       | 19,012                                         | 94.4                            | 23,398                                       | 23,420                                         | 99.9                            |
| Total . . . . .         |                          | 54,787                                       | 56,584                                         | 96.8%                           | 47,839                                       | 58,481                                         | 81.8%                           | 54,933                                       | 59,392                                         | 92.5%                           | 27,206                                       | 29,697                                         | 91.6%                           | 31,444                                       | 34,105                                         | 92.2%                           |

### Notes:

1. Total production volume refers to actual output of our raw foil, which is copper foil blanks that have not undergone surface treatment or have only been preliminarily rolled requiring subsequent cleaning, degreasing, roughening and other treatments to meet end-use process requirements, for the relevant year/period.
2. Production capacity of raw foil is based on the designed hourly production rate of various machines operating 22 hours a day for 360 working days in a year and 180 working days in six months (not including time spent on production line upgrade or adjustments).
3. Utilization rate is calculated by dividing production volume of our raw foils by the production capacity of our raw foils for the same period.

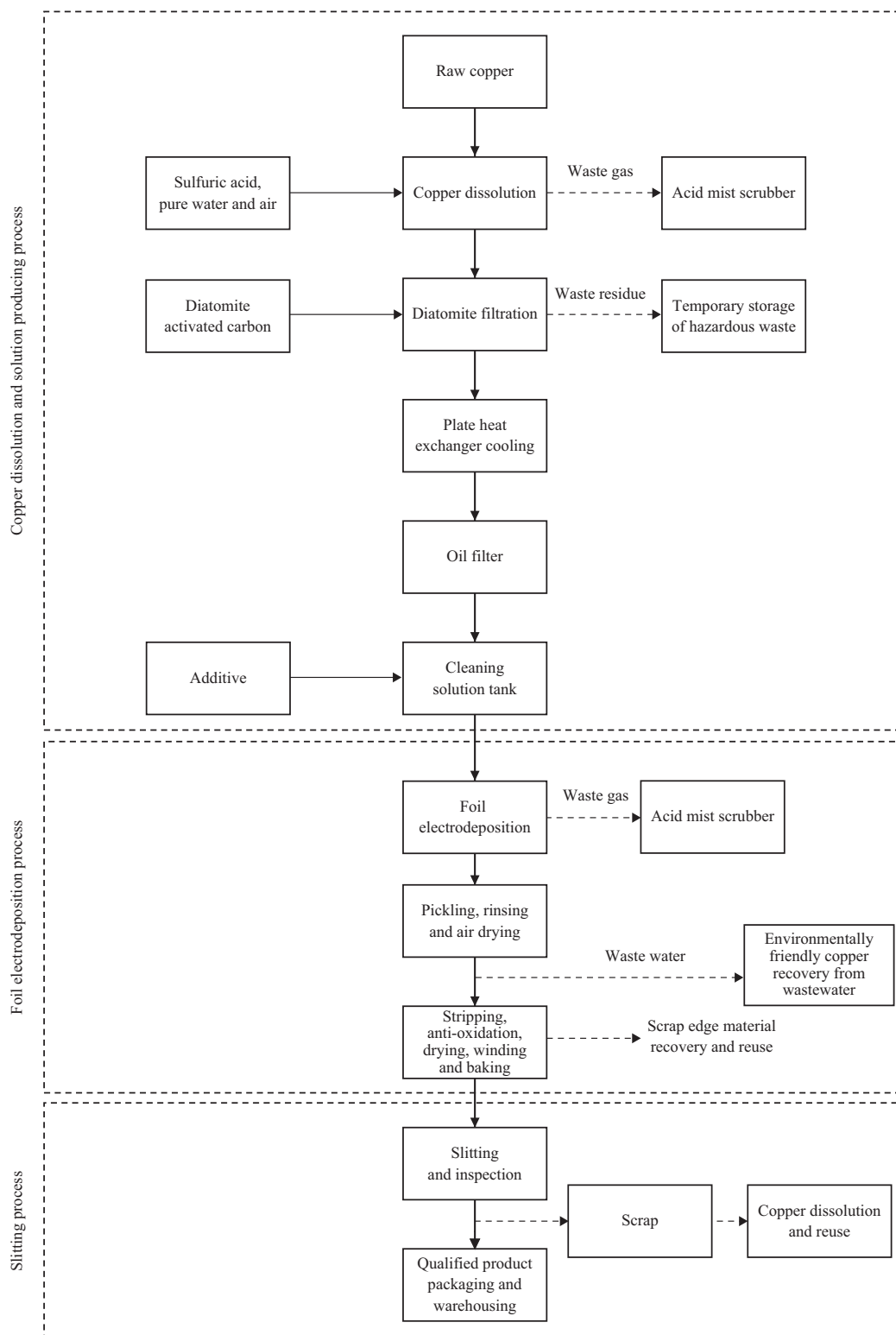
The utilization rate of our Shengeng Plant was higher than that of our Tongbo Plant in each period during the Track Record Period, because we prioritized producing our products at Shengeng Plant as it has more advanced equipment, system, and manufacturing technologies. We recorded a low utilization rate in 2024, which was in line with the market according to Frost & Sullivan, primarily as a result of an oversupply in the lithium battery copper foil market in 2024.

## Manufacturing Process

The production of our electrolytic copper foil follows an integrated, multi-stage process, supported by our core proprietary technologies in additive formulation, high-precision equipment modification, and intelligent manufacturing systems. While the foundational process is similar for both lithium battery and electronic circuit copper foils, key differences exist in the surface treatment (post-processing) stage to meet distinct end-use requirements. The typical production process for our electrolytic copper foils is illustrated in the following flowchart. This process is enabled and optimized by our comprehensive portfolio of core technologies.

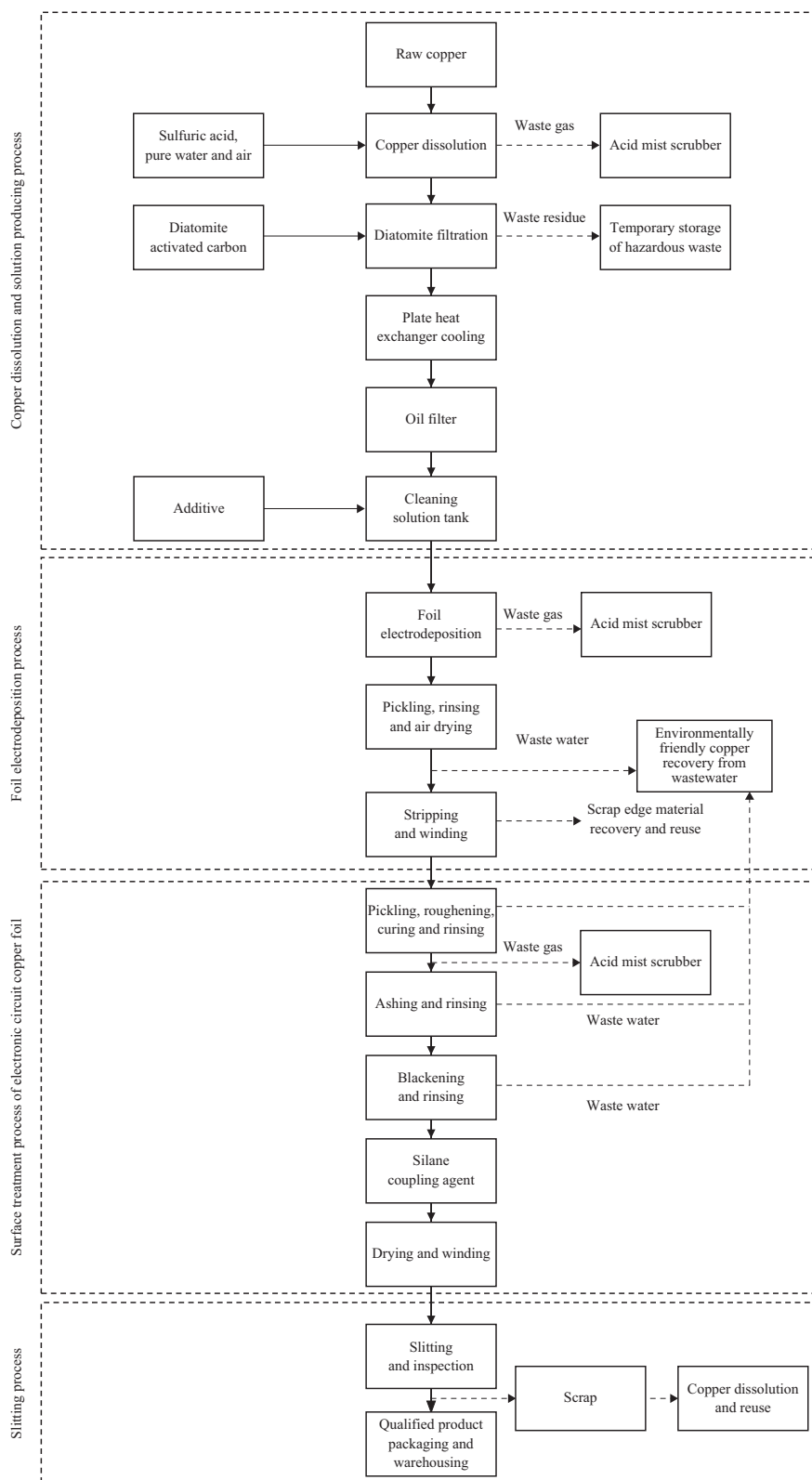
## BUSINESS

The manufacturing process flowchart of lithium battery copper foil is shown as below:



## BUSINESS

The manufacturing process flowchart of electronic circuit copper foil is shown as below:



---

## BUSINESS

---

Our electrolytic copper foil manufacturing is an integrated, four-stage process optimized for precision and performance.

- **Copper dissolution and electrolyte preparation.** High-purity copper feedstock is dissolved in sulfuric acid with air oxidation, forming a copper sulfate solution. After filtration, proprietary additives are introduced to create the tailored electrolyte for electrodeposition.
- **Foil electrodeposition.** In an electrolytic cell, copper ions from the electrolyte are deposited onto a rotating titanium cathode drum under direct current. The deposited copper is continuously peeled off, washed, rinsed, and dried to form raw foil. Precise control of drum speed, current, and tension determines foil thickness.
- **Surface treatment (post-processing).** Raw foil is treated to meet application-specific requirements: (i) lithium battery copper foil receives in-line anti-oxidation treatment only, without complex surface processing; and (ii) electronic circuit copper foil undergoes roughening and curing to enhance adhesion for PCBs.
- **Slitting and packaging.** Finished foil is slit to customer-specified widths, undergoes final quality inspection, and is packaged for shipment.

We have conducted research into the core process steps and production process control for electrolytic copper foil and has developed an integrated core technology system covering the entire production cycle, including “energy-saving and high-efficiency copper dissolution and electrolyte preparation technology,” “high-current, long-length foil electrodeposition technology,” “enhanced copper-foil surface-treatment equipment technology,” and “high-speed, large-diameter reel slitting technology.” These technologies are respectively applied to the key production stages of copper dissolution and electrolyte preparation, foil electrodeposition, post-treatment, and slitting and packaging.

## QUALITY CONTROL

We consider quality control to be a non-negotiable foundation of our corporate reputation and commercial success. To this end, we have implemented a stringent, multi-layered quality management system that governs our entire operational workflow, from raw material procurement to the final shipment of finished copper foil products. This system is designed to ensure the exceptional consistency, reliability, and performance of all our products, meeting the exacting standards required by global leaders in the lithium battery and high-performance printed circuit board industries.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any material complaints relating to product quality; and (ii) we had not experienced any product recalls or material accidents due to product defects.

## Supplier Quality Management

Our quality assurance process begins with a rigorous supplier management protocol, which includes maintaining a qualified supplier list and conducting thorough pre-qualification audits. Supplier performance is subject to continuous monitoring and regular reviews based on key metrics such as delivery timeliness and qualification rates, ensuring ongoing compliance with our standards. Our commitment to quality is demonstrated by our disciplined approach to supplier relationships, where we maintain a diversified base of qualified suppliers to mitigate risk and ensure a consistent supply of high-purity raw materials, primarily cathode copper.

## BUSINESS

---

Upon arrival, every batch of raw material undergoes a stringent inspection process. Warehouse personnel perform an initial verification of identity, quantity, and packaging integrity. Subsequently, our quality control personnel conduct comprehensive analytical testing against our internal quality standards, which often exceed baseline industry specifications. Materials are only released for production after passing all checks; non-conforming materials are categorically isolated and returned.

### **In Process and Final Product Quality Assurance**

We employ advanced statistical process control and real-time monitoring throughout our manufacturing process to maintain precise control over critical parameters such as electrolyte composition, temperature, and current density. This rigorous focus on process stability is a key driver of our high product yield and consistency. Our dedicated quality control team conducts stringent testing at every stage, from electrodeposition to final slitting.

For finished products, we perform a full inspection of key visual and dimensional parameters, and every batch undergoes a comprehensive suite of performance tests to verify critical properties including tensile strength, elongation, surface roughness, and thickness uniformity. Our products consistently meet the stringent qualification standards of our customers. This end-to-end quality system, certified to IATF 16949 and ISO 9001 standards, is fundamental to our operational integrity. It effectively mitigates production risks and, most importantly, delivers the product excellence and reliability that underpins our customers’ trust and the performance of their end products.

## **PRICING**

Our pricing capability is fundamental to maintaining stable financial performance and profitability. We operate on an established “copper price plus processing fee” model, which represents the industry standard for electrolytic copper foil sales. This mechanism is designed to pass price fluctuations of raw materials through to customers, insulating our gross profit from copper price volatility. In each period comprising the Track Record Period, we were able to pass on over 99.0% of our costs of copper to our customers. While this mechanism protects us from copper price volatility, our gross profit margin remains sensitive to the level of processing fees that we can charge.

The pricing of the processing fee initiates with a detailed technical and commercial assessment of customer requirements, factoring in specific product parameters, such as thickness, tensile strength, and elongation rate, as well as projected volumes and intended applications. We subsequently perform a granular calculation of the associated processing costs, incorporating direct manufacturing expenses, labor, auxiliary materials, and an allocated portion of research and development expenditures. The derived processing fee is then calibrated to reflect market conditions and product sophistication, with premium rates applied to advanced offerings such as ultra-thin high-strength lithium battery foils.

For example, along with the increased copper price in 2024, the costs of our lithium battery copper foil products in 2024 were higher than those in 2023. Although we had been able to pass on the increased costs of copper to our customers, however, as there was an oversupply in the market in 2024, we were not able to charge competitive processing fees, resulting in a decrease in our selling prices. As a result, the decreased processing fee/selling prices led to the decreases in our profitability and margin from 2023 to 2024.

Additionally, final terms may be influenced by strategic considerations, including the nature and duration of customer partnerships and competitive dynamics. This comprehensive pricing framework is subject to regular internal review to ensure continued competitiveness, alignment with cost structures, and support of our strategic commercial objectives.

## BUSINESS

---

### WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We have established a highly coordinated supply chain system that achieves seamless integration and optimal resource allocation across procurement, production planning, manufacturing, and product distribution. Our fully integrated digital management systems, including ERP and MES, provide comprehensive end-to-end visibility and operational control throughout the material flow process. We leverage systematic logistics management and data-driven planning to enhance operational precision, optimize inventory turnover, and maintain high customer service levels.

Our warehousing and distribution infrastructure, supported by an intelligent management platform, enables us to scale operations efficiently while ensuring timely product delivery.

- **Warehousing.** We operate integrated warehousing facilities that support both raw material intake and finished goods distribution. Our logistics systems are connected with production planning systems to ensure timely material supply to production lines and efficient dispatch of finished products. We utilize automated handling equipment where appropriate to enhance operational efficiency.
- **Inventory control.** We implement lean inventory management principles throughout our supply chain. Raw material inventory levels, primarily cathode copper, are dynamically managed through a combination of long-term agreements and spot purchases to balance cost efficiency with production continuity. Work-in-progress inventory is minimized through continuous production flow and real-time process monitoring. Finished products inventory is closely aligned with customer delivery schedules, with typical inventory turnover aligned with industry standards for copper foil manufacturing.
- **Transportation and packaging.** We maintain systematic shipping management procedures to ensure product integrity during transit. Copper foil rolls are carefully packaged using standardized protective materials to prevent damage during transportation. We coordinate logistics with certified carriers to ensure reliable delivery to customer facilities, with transportation costs and risk typically borne by our company as part of our standard delivery terms.

Our integrated approach to supply chain management enables us to maintain high operational efficiency while responding flexibly to changing market demands and customer requirements.

### MARKETING AND PROMOTION

As of the Latest Practicable Date, we have established a distinguished market position under our corporate brand “Tongbo Technology,” which has become synonymous with technological innovation and product excellence within the high-performance electrolytic copper foil sector. Our reputation is based upon the consistent delivery of superior performance products and our validated position as an accredited supplier to multiple global industry leaders.

We maintain a highly focused business development strategy centered on direct technical and commercial engagement with major customers across the lithium battery and printed circuit board industries. Our commercial growth is primarily driven by our established reputation for technological leadership, product reliability, and scalable, unwavering supply chain dependability, rather than through broad marketing initiatives. This is substantiated by our successful, long-term partnerships with numerous leading industry participants. We obtain most of our contracts and purchase orders as shortlisted suppliers or under procurement framework agreement through direct one-on-one negotiations with customers. From time to time, we are also approached by our customers to supply copper foil products as a result of our reputation and track records as well as the strong downstream demand. Many

## **BUSINESS**

---

of our customers are leading, large-scale downstream market players and have maintained long-term, strategic cooperations with us. The average lead time required from receiving purchase orders to product delivery typically ranges from seven to 15 days. Our high success rate is attributable to: (i) our established reputation for innovation and product reliability; (ii) our status as an accredited supplier to multiple global industry leaders; and (iii) our deep, long-standing relationships with major customers, which facilitate repeat orders without extensive competitive bidding.

Our market standing is further reinforced by strategic equity investments from premier industry leaders, which constitutes a powerful endorsement of our technological capabilities and strategic value. This unique validation from strategic partners, combined with our proven track record of successful product integration into their advanced supply chains, creates a self-reinforcing business development cycle, where demonstrated performance and deep industry relationships foster further commercial opportunities, effectively replacing the need for traditional sales and marketing activities.

### **COMPETITION**

The electrolytic copper foil industry in China is highly competitive and fragmented, and we expect the industry to consolidate in the future. We primarily compete with other large-scale copper foil manufacturers. We believe the key competitive factors in our markets include research and development capability and technological innovation, product performance, mass production capacity, customer service and support, and corporate reputation.

To differentiate ourselves from competitors, we have remained committed to enhancing product quality and advancing technological innovation through close collaboration with our major customers. This cooperative approach strengthens our research and development capabilities and accelerates our innovation cycle, while also equipping us with the unique ability to respond to the evolving requirements of key customers. Leveraging our leading expertise in product quality, we continue to introduce innovations in copper foil manufacturing and deliver differentiated, high-safety products, attributes that strengthen our competitive position in the marketplace.

### **DATA SECURITY AND PRIVACY**

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. This is particularly pertinent as the PRC legislature and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, use, storage, disclosure and transfer of various types of data may come under increased administrative scrutiny. See “Risk Factors — Risks Relating to Our Business and Industry — We face risks of sharing relevant research and development results with our collaboration partners. Failure to prevent our partners from misappropriating confidential information could potentially impair our technological differentiation and competitive position.” and “Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain any license, permits, approvals or certificates, or timely renew any existing license, permits, approvals or certificates, we may not be able to maintain our business operations.”

In the course of our business operations, we collect, store and process business data and transaction data. Given that we only make transactions with enterprises, our business generally does not involve the collection or processing of customers’ personal information. We develop our information security management systems in compliance with the requirements of ISO/IEC 27001 standard for information security management systems, so as to achieve our commitment to maintaining the integrity, availability and confidentiality of data. To reinforce our data security and protection measures, we established comprehensive internal policies. These policies facilitate our data management and provide detailed requirements in relation to the classification, storage, access, transmission, encryption and disposal of data.

## **BUSINESS**

Moreover, we implemented a robust information backup management system, which sets forth the guiding principles, detailed procedures and mechanisms for data recovery. In addition, we formulated a manual on information security management to set out the general guidance and principles of our information security management, under which we established a series of policies and procedures, including among others, policies on system operation management, password management and corporate trade secret protection and procedures on document control and confidentiality management. These systems, policies and procedures collectively form a solid framework that safeguards our data and upholds our stringent standards for information security.

### **INFORMATION TECHNOLOGY SYSTEMS**

We believe that automation and information technology are essential to maintain our competitive position. We utilize a number of information technology systems to manage all aspects of our operations, including but not limited to sales management, material procurement, production, quality control, inventory management, financial reporting and human resources. The following information technology systems are the most critical to our business among our collective integrated information systems:

| <b>Name of IT system</b>                       | <b>Description of functions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ERP (Enterprise Resource Planning) . . . . .   | We utilize the ERP system to conduct in-depth analysis of operations and enhance information exchange among different departments to streamline our back-office management. The system covers most aspects of our operations, including procurement, manufacturing, sales, financial reporting and human resources. The system helps retrieve and analyze our operation data to achieve more efficient decision-making and enhance productivity.                                                                                |
| MES (Manufacturing Execution System) . . . . . | We utilize the manufacturing execution system in our production process to improve production efficiency of our manufacturing facilities. The system helps to record the production progress of each production line on a real-time basis and transit the production data to the database to ensure the efficient monitoring of the manufacturing process. The data collected by the MES system during manufacturing process can be integrated with our ERP system for further integration, analysis and reporting.             |
| DCS (Distributed Control System) .             | We utilize the DCS in our production process to monitor and control key process parameters in closed loop, such as the temperature, pressure, and volume of flow across equipment and production lines in real time. Our DCS enables the centralized management from individual equipment to the entire production line, which not only ensures the safety and stabilization of the production process, but also significantly improves product quality and energy utilization efficiency through optimized control strategies. |

## BUSINESS

| Name of IT system                                                   | Description of functions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Electrolytic Copper Foil Intelligent Production Management System . | We continuously advance our intelligent manufacturing initiatives, deeply integrating digital and intelligent technologies into our production processes. We monitor and precisely control equipment, energy consumption, environmental safety, and other key parameters through an integrated IoT platform. Meanwhile, we have implemented intelligent, coordinated management among core systems such as ERP, MES, and DCS. We have obtained the Level 7 digital manufacturing certification in Jiangxi province, and our comprehensive digital management drives improvements in product quality and production efficiency. |

The capabilities and the stability of our IT infrastructure are vital to our business operations. The IT personnel performs system checks, data back-ups, system maintenance and other activities to secure the continual operation of the critical IT systems and facilities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material failure or general breakdown of our IT systems which had resulted in a material adverse impact on our overall business operations.

### EMPLOYEES

As of June 30, 2026, we had 1,777 employees. The following table sets forth the breakdown of our employees by function as of the same date.

| Function                               | Number of<br>Employees | % of total<br>employees |
|----------------------------------------|------------------------|-------------------------|
| Manufacturing and operations . . . . . | 1,359                  | 76.5                    |
| Marketing. . . . .                     | 21                     | 1.2                     |
| Research and development . . . . .     | 191                    | 10.7                    |
| Finance . . . . .                      | 26                     | 1.5                     |
| Administration . . . . .               | 180                    | 10.1                    |
| <b>Total. . . . .</b>                  | <b>1,777</b>           | <b>100.0%</b>           |

As of June 30, 2026, we were supported by a research and development team of 191 employees, many of whom are industry veterans with profound expertise in technology and material innovation, with an average of ten years of experience in the electrolytic copper foil industry. Our success in the competitive electrolytic copper foil industry depends on our ability to continue to attract, retain and motivate highly skilled personnel, particularly experienced research and development engineers, production technologists, and quality management professionals. Our recruitment strategy utilizes multiple channels, including targeted industry recruitment, campus programs, and internal referrals.

Our employees typically enter into standard labor contracts with us. All of our employees are subject to confidentiality agreements, and are bound by non-compete obligations effective during their employment and for a period thereafter.

We provide competitive compensation packages, which primarily consist of a base salary, a performance-based bonus, and employee incentives plan. Employee performance targets are set according to their position and departmental goals and are reviewed periodically. The outcomes of these performance reviews are directly linked to salary adjustments, bonus awards, and promotion decisions.

## BUSINESS

We pay employee benefit plans for our employees pursuant to the applicable PRC laws and regulations, including pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund.

We believe we maintain good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or labor disputes with our employees which have had or are likely to have a material effect on our business.

### LICENSES, PERMITS AND CERTIFICATES

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite material licenses, permits and approvals from relevant authorities for our operations. We are required to renew some of such licenses, permits and approvals from time to time, and we currently do not expect any material difficulties in or legal impediment to such renewals.

The following table sets forth a list of material licenses, permits and approvals held by us (apart from those pertaining to general business requirements, such as business licenses) as of the Latest Practicable Date:

| License/Permit                                                           | Holder                                       | Authority                                                                                                                                                             | Granting date     | Expiration date   |
|--------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Certificate of High-tech Enterprise (高新技術企業證書) . . . . .                 | Jiangxi Tongbo Technology Co., Ltd.          | Department of Science and Technology, Jiangxi Province (江西省科學技術廳);<br>Department of Finance, Jiangxi Province (江西省財政廳);<br>Taxation Bureau, Jiangxi Province (江西省稅務局) | November 4, 2022  | November 4, 2028  |
| Certificate of High-tech Enterprise (高新技術企業證書) . . . . .                 | Shengeng Tongbo                              | Department of Science and Technology, Jiangxi Province (江西省科學技術廳);<br>Department of Finance, Jiangxi Province (江西省財政廳);<br>Taxation Bureau, Jiangxi Province (江西省稅務局) | November 22, 2023 | November 22, 2026 |
| Consignor and Consignee of Import and Export Goods (進出口貨物收發貨人) . . . . . | Jiangxi Tongbo Technology Co., Ltd.          | Fuzhou (Jiangxi) Customs (撫州海關)                                                                                                                                       |                   | N/A               |
| Consignor and Consignee of Import and Export Goods (進出口貨物收發貨人) . . . . . | Tongbo Materials                             | Fuzhou (Jiangxi) Customs (撫州海關)                                                                                                                                       |                   | N/A               |
| Pollutant Discharge Permit (排污許可證) .                                     | Jiangxi Tongbo Technology Co., Ltd.          | Fuzhou (Jiangxi) Ecological and Environmental Bureau (撫州市生態環境局)                                                                                                       | May 27, 2023      | May 26, 2028      |
| Pollutant Discharge Permit (排污許可證) .                                     | Jiangxi Shengeng Tongbo Technology Co., Ltd. | Fuzhou (Jiangxi) Ecological and Environmental Bureau (撫州市生態環境局)                                                                                                       | May 27, 2026      | May 26, 2031      |
| Pollutant Discharge Permit (排污許可證) .                                     | Sichuan Tongbo Technology Co., Ltd           | Yibin (Sichuan) Ecological and Environmental Bureau (宜賓市生態環境局)                                                                                                        | August 15, 2026   | August 14, 2031   |

## BUSINESS

We have also obtained various ISO management system certifications for our operations, such as Certificate of Environmental Management System (環境管理體系認證證書)(ISO 14001), Certificate of Quality Management System (質量管理體系認證證書)(ISO 9001), Certificate of Occupational Health and Safety Management System (職業健康安全管理体系認證證書)(ISO 45001), Certificate of Energy Management System (能源管理體系認證證書)(ISO 50001).

## AWARDS AND RECOGNITION

Throughout our corporate history, our leadership in technology and manufacturing has been consistently validated by industry and government bodies. The awards and recognitions we have received are a direct reflection of our advanced research and development capabilities, our mastery of complex production processes, and our commitment to operational excellence. The table below sets forth a summary of the major awards and recognition we received during the Track Record Period and up to the Latest Practicable Date, which collectively attest to our technology and manufacturing prowess.

| Year of Grant           | Award/Recognition                                                                                                | Issuing Authority                                                                     |
|-------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| December 2025 . . . . . | 2025 Technological Innovation Award (年度技術創新獎)                                                                    | CATL (寧德時代)                                                                           |
| December 2025 . . . . . | Excellent Partner Award, Quality Excellence Award (年度卓越合作夥伴、優秀質量獎)                                               | EVE Energy (億緯鋰能)                                                                     |
| August 2025 . . . . .   | National-Level Specialized, Refined, Differential and Innovative “Key Little Giant” Enterprise (國家專精特新“重點小巨人”企業) | MIIT (工業和信息化部)                                                                        |
| July 2025 . . . . .     | Product Delivery Award (產品交付獎)                                                                                   | LG Energy Solution (LGES)                                                             |
| May 2025 . . . . .      | Advanced Intelligent Manufacturing Factory (先進級智能化工廠)                                                            | Jiangxi Provincial Department of Industry and Information and Technology (江西省工業和信息化廳) |
| December 2023 . . . . . | Jiangxi Provincial Potential Unicorn Enterprise (江西省潛在獨角獸企業)                                                     | Jiangxi Provincial Department of Science and Technology (江西省科學技術廳)                    |
| December 2023 . . . . . | Jiangxi Provincial Ultra-Thin Electrolytic Copper Foil Engineering Research Center (江西省超薄電子銅箔工程研究中心)             | Jiangxi Provincial Development and Reform Commission (江西省發展和改革委員會)                    |
| December 2023 . . . . . | Provincial-Level Enterprise Technology Center (省級企業技術中心)                                                         | Jiangxi Provincial Department of Industry and Information and Technology (江西省工業和信息化廳) |
| December 2022 . . . . . | 2022 Excellent Partner (年度優秀合作夥伴)                                                                                | Sunwoda (欣旺達)                                                                         |
| December 2020 . . . . . | 2020 Excellent Supplier (年度優秀供應商)                                                                                | EVE Energy (億緯鋰能)                                                                     |

## INSURANCE

As of the Latest Practicable Date, we believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities, including but not limited to employer liability insurance and property all-risk insurance.

## **BUSINESS**

---

We believe our insurance coverage is sufficient to protect the Company’s risk management in the course of normal operations. However, we cannot guarantee that our held policies are sufficient to cover all our operational risks. Please refer to “Risk Factors – Risks Relating to Our Business and Industry – Our insurance coverage may be inadequate to cover all significant risk exposures.” Our insurance coverage strategy may not be sufficient to protect us from all commercial risks and cannot cover all our potential losses.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is adequate as is in line with industry practice.

### **PROPERTIES**

#### **Owned Properties**

As of the Latest Practicable Date, we owned nine properties of land use right in the PRC with an aggregate GFA of 211,571.8 sq.m. These properties are primarily used as our primary production facilities, office premises, and supporting infrastructure in Jiangxi Province and Sichuan Province. Four parcels of the nine properties were mortgaged with the bank for bank borrowings.

#### **Leased Properties**

As of the same date, our leased properties comprised 20 properties in the Chinese mainland with an aggregate GFA of 22,007.2 sq.m., including 17 public rental housing provided by local governments and three private premises, primarily used for accommodating non-local employees. As of the date of this document, among the three lease agreements for private premises, two of these lease agreements had not been registered with the relevant PRC authorities. These non-registrations were primarily because we entered into short-term leases to accommodate non-local employees during peak season. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB2,000, which we believe is immaterial to our business and results of operations. As advised by our PRC Legal Advisors, the likelihood that we would be penalized by various local authorities at the same time or within a short period due to the failure to register lease agreements is remote, considering that: (i) these leased properties are used for short-term accommodation for our non-local employees during peak season and we do not plan to renew the short-term leases upon expiry; and (ii) we confirm that once the relevant PRC government authorities require us to rectify, we will do as required and within the prescribed time period. Therefore, we believe that failure to register these lease agreements will not have any material adverse impact on our financial condition or results of operations.

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)**

#### **Our ESG policies and Sustainable Development Management Committee**

We operate our business in a responsible and sustainable manner, and we are committed to maintaining transparency and accountability to our shareholders. We believe that our business operations should not damage the environment and abide strictly by the national and local environmental protection

## BUSINESS

regulations of China when dealing with hazardous wastes, water pollutants and exhaust gas emissions during our operations. We have established relevant ESG policies and regularly review and assess the effectiveness of our ESG frameworks to ensure they remain aligned with best practices and evolving stakeholder expectations.

Our Board of Directors assumes overall responsibility for sustainable development goals and management strategy, as well as periodic analysis of the sustainability-related risk. The Strategic Committee (“**Committee**”)(戰略委員會) works under the Board to oversee the Group’s sustainability work plans and sustainability performance. The Committee is led by the Chairman of Board, and closely works with the relevant departmental managers, including but not limited to the General Administration Office, Human Resources and Administration Department, Procurement Department, Equipment Department and Environmental Health and Safety (“**EHS**”) Department. We also strengthen ESG governance capacity at the employee level through the Sustainable Development Working Group (可持續發展工作小組), which comprises employees of different operational departments. The Sustainable Development Working Group is responsible for implementing the ESG strategy and related actions, and for promptly reporting any identified risks to our Group. The Committee convenes meetings at least once a quarter according to the Tong Bo Technology Sustainable Development Policy (《銅博科技可持續發展政策》) to discuss ESG-related matters and receive reports from the Sustainable Development Working Group, and submits monthly written reports to the Board covering ESG-specific work.

### Identification and Assessment of Potential ESG-related Risks

To further understand the impact of these risks on our ESG development, we describe the risk content and the corresponding measures for further detection and control, including:

| <b>Material<br/>ESG-related issues</b>              | <b>Potential risks and impacts</b>                                                                                                                                                                                    | <b>Our strategies<br/>(adopted/to be adopted)</b>                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental Risks</b>                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                              |
| Greenhouse gas (“ <b>GHG</b> ”) emissions . . . . . | During our operations, we may inevitably generate GHG emissions, which exposes us to potential climate-related risks.                                                                                                 | We regularly review the GHG emissions profile of our operation to manage better and control the emissions.                                                                                                                                                                                                                   |
| Water and sewage management . . . . .               | During our production process, the usage of water and the generation of sewage are inevitable. Ineffective management can potentially result in excessive energy consumption, leading to increased operational costs. | We have implemented a wastewater recycling system to facilitate the reuse of water resources. Moreover, we have entered into an agreement with a third-party sewage treatment company to discharge treated effluent into the sewerage network, for which have met regulatory acceptance standards into the sewerage network. |
| Climate change . . . . .                            | Physical and transition risks induced by climate change may cause disruption during our operation and could increase the operational cost.                                                                            | We constantly monitor the changes in ESG-related regulatory requirements and market trends. We endeavor to implement low-carbon technology and energy resource management.                                                                                                                                                   |

## BUSINESS

| Material<br>ESG-related issues                    | Potential risks and impacts                                                                                                                                                                                                    | Our strategies<br>(adopted/to be adopted)                                                                                                                                                                                                                                       |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Social Risks</b>                               |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                 |
| Occupational health and safety management . . . . | Poor occupational health and safety performance may expose our Group to legal disputes, financial losses and reputational damage.                                                                                              | We prioritise occupational health and safety management and conduct safety training to employees to ensure compliance with standard operational procedures.                                                                                                                     |
| Product safety and quality . . . . .              | Given the nature of our business, product safety and quality must be treated as paramount considerations. Failure to comply with these requirements may result in substantial regulatory fines and product liability lawsuits. | We regard quality as the cornerstone of our development. We have established a comprehensive product quality management system and implemented related measures to identify and manage related risks and standardised the production processes.                                 |
| Supply chain management . . . . .                 | Supply chain disruptions and non-compliances may pose impacts on the regular operations, increase the operational cost and cause reputation damage to our Group.                                                               | We have established a comprehensive supplier assessment mechanism, conducting thorough evaluations and selection across multiple dimensions including quality control, technical services, and delivery timeliness to ensure the stability and reliability of our supply chain. |
| <b>Governance Risks</b>                           |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                 |
| Business ethics . . . . .                         | Neglecting business ethics can result in severe consequences, including but not limit to regulatory penalties, financial losses and reputational damage.                                                                       | We are committed to upholding the highest standards of business ethics in our operations. This involves conducting our business with integrity, transparency, and respect for stakeholders, including employees and the community.                                              |

### Climate-related Risks

We may be exposed to climate-related risks, which can be divided into two broad categories, namely, physical and transition risks. We are continually enhancing our resilience to climate risks by identifying, analyzing and managing climate-related risks and opportunities.

In terms of physical risk, extreme weather events, such as extreme precipitation and floods that could disrupt operations. We will take the necessary actions to respond to the relevant government notices in case of these events and make contingency plans to ensure the safety of our employees. In terms of transition risk, potential regulatory shifts in carbon emissions or disclosure requirements could impose compliance costs. We will continuously monitor the ESG-related regulatory updates, enhance the proportion of green electricity usage during operation and improve energy utilisation efficiency.

---

## BUSINESS

---

We have identified climate-related opportunities arising from increased demand for low-carbon products and potential clients’ sustainability commitments. We have adopted measures such as electrification of our production equipment, optimisation of the copper-melting process to reduce energy consumption and quantify the carbon footprint of our products.

### **Environmental Management**

We adhere to the environmental laws and regulations in China, including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), the Environmental Impact Assessment Law of PRC (《中華人民共和國環境影響評價法》), the Regulation on Pollutant Discharge Permit Administration (《排污許可管理條例》) and the Jiangxi Province Environmental Pollution Prevention Regulations (《江西省環境污染防治條例》). We have been certified as the Green Factory in Jiangxi Province (江西省綠色工廠), which represents our commitment to connecting environmental protection to our manufacturing process. Our production bases have implemented an environmental protection system compliant with ISO 14001:2015 and established the Tong Bo Technology Sustainable Development Policy (《銅博科技可持續發展政策》), which we commit to implementing practical measures to advance our green circular economy initiatives. This includes progressively increasing the proportion of green energy utilised, actively developing environmentally friendly and energy-saving technologies, as well as integrating low-carbon principles into our daily operations.

We aim to minimise our impact on the environment and natural resources in our operations, and to monitor and manage our use of resources, including energy and water consumption at operational sites.

We have implemented a series of measures to fulfil our environmental responsibilities, including but not limited to:

- Carbon emission management: Gradually replace diesel forklifts with electric forklifts to reduce carbon emissions from fossil fuels. In 2030, we aim to control our GHG emissions intensity within the range of 95% to 110% of that recorded in 2024.
- Energy management: We procure low-energy equipment and purchase green energy, with plans to progressively increase the proportion of renewable energy. In 2030, we aim to control our energy consumption intensity within the range of 95% to 110% of that recorded in 2024.
- Water management: We have installed a sewage treatment and reuse system to reduce water consumption and minimise the environmental impact of discharging untreated sewage. In 2030, we aim to achieve our water recycle rate on the level of 80% or above.
- Waste management: To mitigate potential pollution risks, hazardous waste management is entrusted to qualified third-party company. In 2030, we aim to 100% compliant disposal of hazardous waste. Meanwhile, non-hazardous waste is prioritised for recycling and reuse in accordance with its characteristics and local regulatory requirements. In 2030, we aim to control our non-hazardous waste discharge intensity within the range of 95% to 110% of that recorded in 2025 as we facilitate our data collection method and includes most of the non-hazardous waste discharge source.

### ***Our Resource Usage and Emissions***

Our green manufacturing philosophy addresses the environmental pain points of traditional electrolytic copper foil processes. Through iterative anti oxidation technology, dual innovation of surface roughening treatment equipment and processes, and precise control of all process parameters, we

## BUSINESS

have successfully overcome industry challenges and achieved large-scale application of green arsenic free roughening processes. At the same time, by finely controlling the concentration of chromium ions in the passivation solution, core technologies such as arsenic free environmentally friendly surface treatment and ultra-low chromium oxidation prevention have been developed, reducing the use and emission of toxic and harmful substances from the source, and building an advanced clean production technology system.

On the other hand, we have successfully been certified as the Green Factory of Jiangxi Province (江西省綠色工廠). In terms of resource recycling, we actively lay out the application of recycled materials and have successfully obtained the UL Solutions UL2809 certification for recycled materials in the United States, marking that the company has reached the international advanced level in the compliant use of recycled raw materials.

### Resource Usage

We consider resource conservation and efficient utilisation as a key foundation of sustainable development. We collaborate with third-party companies to implement digital and intelligent energy-saving upgrades for our production equipment. To standardise our energy management, we have implemented the Energy Conservation and Emission Reduction Management Procedures (《節能減排管理程序》), as well as an energy management system in accordance with ISO 5001:2018 standards. We procure low-energy equipment to replace outdated machinery whenever possible. We use timing switches and temperature control switches to regulate the relevant equipment.

| Use of Resources                       |              |      | For the<br>six months<br>ended<br>30 June | For the Year ended<br>December 31, |            |            |
|----------------------------------------|--------------|------|-------------------------------------------|------------------------------------|------------|------------|
|                                        |              |      | 2026                                      | 2025                               | 2024       | 2023       |
| Key Performance Indicator              |              | Unit | 2026                                      | 2025                               | 2024       | 2023       |
| Energy Consumption                     |              |      |                                           |                                    |            |            |
| Direct energy<br>consumption . . . . . | Diesel       | MWh  | 26.43                                     | 40.95                              | 36.96      | 39.08      |
|                                        | Petrol       | MWh  | 459.68                                    | 993.30 <sup>(1)</sup>              | 676.05     | 714.86     |
|                                        | Natural gas  | MWh  | 26,752.95                                 | 40,819.33                          | 27,523.80  | 30,627.44  |
| Purchased<br>energy . . . . .          | Electricity  | MWh  | 248,745.06                                | 386,981.16                         | 336,159.02 | 397,576.12 |
|                                        | Solar energy | MWh  | 22,065.22                                 | 93,967.14                          | 150,518.00 | 143,269.58 |
| Total energy<br>consumption . . . . .  |              | MWh  | 298,049.34                                | 522,801.88                         | 514,913.83 | 572,227.08 |

Note:

(1) In 2025, the company added more passenger vehicles due to the increasing business reception needs.

### GHG emissions

As part of our environmental commitment, we have introduced energy-efficient equipment into our operations. The objective is to reduce GHG emissions, address climate change, and ultimately support the industry’s transition towards a green and low-carbon future. Our GHG emissions include direct emissions from production equipment and vehicles, as well as energy indirect emissions arising from purchased electricity. Scope 3 emissions cover other indirect emissions, primarily relating to wastepaper processing, freshwater and sewage treatment, and business travel activities. The following table presents our GHG emissions during the Track Record Period:

## BUSINESS

| GHG Emissions <sup>(1)</sup>                      |                                                          | For the<br>six months<br>ended 30 June | For the Year ended<br>December 31, |            |            |
|---------------------------------------------------|----------------------------------------------------------|----------------------------------------|------------------------------------|------------|------------|
| Key Performance Indicator                         | Unit                                                     | 2026                                   | 2025                               | 2024       | 2023       |
| Direct (Scope 1) GHG emissions                    | Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) | 5,719.67                               | 8,807.56 <sup>(2)</sup>            | 5,942.83   | 6,602.14   |
| Energy indirect (Scope 2) GHG emissions . . . . . | tCO <sub>2</sub> e                                       | 156,447.10                             | 298,428.42                         | 301,983.09 | 335,594.76 |
| Other indirect (Scope 3) GHG emissions . . . . .  | tCO <sub>2</sub> e                                       | 288.17                                 | 482.94                             | 408.99     | 668.16     |
| Total GHG emissions (Scope 1, 2 and 3) . . . . .  | tCO <sub>2</sub> e                                       | 162,454.94                             | 307,718.92                         | 308,334.91 | 342,865.06 |

Notes:

- (1) GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to (i) “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; (ii) “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange; (iii) “2023 National Electricity Carbon Footprint Factor” issued by Ministry of Environmental Protection of the People’s Republic of China; and (iv) the “Global Warming Potential Values” from the IPCC Sixth Assessment Report.
- (2) In 2025, the company added more passenger vehicles due to the increasing business reception needs.

### Water and Sewage Management

We have established a stringent sewage classification and treatment system to achieve the integration of environmental and economic benefits. We have implemented equipment for pure water and sewage treatment and reuse systems that increase our sewage recycling rate. In addition, reverse osmosis membrane equipment are implemented to which can remove impurities from water through physical methods, achieving reduction and resource recovery of sewage.

| Water                        |                | For the<br>six months<br>ended 30 June | For the Year ended<br>December 31, |              |                           |
|------------------------------|----------------|----------------------------------------|------------------------------------|--------------|---------------------------|
| Key Performance Indicator    | Unit           | 2026                                   | 2025                               | 2024         | 2023                      |
| Total water consumption . .  | m <sup>3</sup> | 822,449.00                             | 1,332,515.00                       | 1,091,530.00 | 1,284,206.00              |
| Total sewage discharge . . . | m <sup>3</sup> | 353,139.75                             | 496,130.26                         | 499,971.84   | 411,761.78 <sup>(1)</sup> |

Note:

- (1) In 2023, due to the commissioning of wastewater treatment equipment, only half of the data was recorded.

### Waste Management

We have established Waste Management Procedures (《廢棄物處理程序》) to fulfil our environmental responsibilities, mitigate environmental risks, and ensure compliant operations. These procedures aim to achieve the categorised control and compliant disposal of waste. Hazardous waste is entrusted to qualified third-party company for processing, minimising potential pollution risks. Non-hazardous waste is prioritised for recycling and reuse according to its properties and local regulations. Non-recyclable materials are processed in accordance with municipal requirements.

## BUSINESS

The waste discharge from our operations during the Track Record Period is set forth below:

| Waste                         |        | For the<br>six months<br>ended 30 June | For the Year ended<br>December 31, |                       |          |
|-------------------------------|--------|----------------------------------------|------------------------------------|-----------------------|----------|
|                               |        | 2026                                   | 2025                               | 2024                  | 2023     |
| Key Performance Indicator     | Unit   |                                        |                                    |                       |          |
| Non-hazardous waste . . . . . | tonnes | 474.77                                 | 363.64                             | 130.76 <sup>(1)</sup> | 73.41    |
| Hazardous waste . . . . .     | tonnes | 735.60                                 | 1,132.69                           | 973.58                | 1,419.66 |

Note:

- (1) In 2024, our production increased, leading to a corresponding rise in packaging material consumption. However, due to variations in size specifications and recycling periods, certain packaging materials could not be recycled, resulting in an increase in waste generation.

## Social Matters

### Employment Practices

We recognize that our employees are the cornerstone of our development and are committed to ensuring all employees receive fair treatment. We have established internal policies including the Labor and Personnel Management Policy (《勞動人事管理制度》), Employee Handbook (《員工手冊》) and Standardized Social Responsibility Documentation (《社會責任標準化體系文件》). These clearly define recruitment procedures, attendance requirements, and employee progression pathways. We strictly adhere to labor regulations, with provisions explicitly prohibiting the employment of child labor and forced labour within our policies. During recruitment, we verify identities to prevent individuals below the legal working age from being hired. We adhere to the principles of fairness, openness and impartiality in our employment and promotion practices. We encourage employees to enhance their professional knowledge and skills. Beyond fundamental induction training, we provide specialized training courses aligned with the specific duties of relevant departments. As of June 30, 2026, we had 1,777 employees, consisting of 1,209 male and 568 female. For the six months ended June 30, 2026, we recorded a turnover rate<sup>1</sup> of 24%<sup>2</sup>, consisting of 26% male and 21% female.

Note:

- (1) Turnover rate = the total number of employees left during the reporting period/ (the total number of new hires during the reporting period + the total number of employees at the end of the reporting period) \*100%
- (2) In 2026, the number of new hires increased as our new operation site is start to production.

### Occupational Health and Safety

We strictly adhere to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) and the Occupational Disease Prevention and Control Law of the PRC (《中華人民共和國職業病防治法》). To provide a safe working environment, we have established an occupational health and safety management system, which is in compliance with ISO 45001:2018 standards, including the Safety Operation Control Procedure (《安全運行控制程序》), EHS Assessment Management Procedure (《EHS 考核管理規定》) and the Work-Related Injury and Emergency Response Plan Management Procedure (“**Procedure**”) (《工傷及應急預案管理辦法》) that our employees must strictly adhere to. The severity level of work-related injuries is classified into six categories. An accident resulting in economic losses of RMB300,000 or more is classified as a material accident. We comply with the Procedure by covering employees’ medical expenses, providing financial assistance, and paying for funeral and bereavement benefits. The EHS Department is responsible for recording, investigating and reporting. When a material safety accident occurs, we will report it to the relevant department without delay and cooperate with the

## BUSINESS

---

investigation process. To protect our employees from occupational health and safety hazards and raise employees’ awareness, personal protective equipment is provided to employees and emergency drills are conducted regularly. In order to strengthen safety production management, we have established a Safety Production Leading Group (安全生產領導小組) which operates in accordance with the Responsibilities of the Safety Production Leading Group (《安全生產領導小組職責》). This includes holding regular meetings to examine and resolve safety hazards identified in daily production operations, as well as overseeing and inspecting the safety production work of relevant personnel. During the Track Record Period, we were not involved in any material work-related accidents or material non-compliance with laws and regulations relating to health and work safety.

### ***Product Safety and Quality***

We fully recognize the importance of product safety and quality to our business. In terms of quality management system, we have obtained ISO 9001:2015 Quality Management System certification to ensure standardized and regulated quality management practices. We have established corresponding internal management procedures for the inspection and testing of outgoing products, packaging and dispatch, and the recall of defective products, with the aim of promoting standardised processes and reducing quality risks.

### ***Supply Chain Management***

We embrace the principle of collaborative development, aiming to advance the sustainable growth of our industry together with our suppliers. We have established internal documents, including Supplier Management Policy (《供應商管理規定》) and Procurement and Supplier Management Procedure (《採購與供應商管理程序》) to conduct thorough evaluations and selection across multiple dimensions including quality control, technical services, and delivery timeliness to ensure the stability and reliability of our supply chain. We give preference to suppliers who demonstrate strong performance in environmental protection, social responsibility and safety management, and require key suppliers to sign the Environmental Agreement (《環境協議》) and Supplier Code of Conduct Commitment Letter (《供應商行為準則承諾書》).

### ***Business Ethics***

We adhere to the principles of integrity and compliant development, striving to build a transparent and fair business environment. We have integrated principles of fair procurement, anti-corruption and against unfair competition into key business processes, and employees are required to adhere to our policy framework of business ethics, such as the Integrity and Self-Discipline Management Policy (《廉潔自律管理制度》). We encourage employees to report any illegal or criminal activities they discover and have established corresponding Whistleblower Protection Management Procedure (《保護檢舉人管理程序》) to strictly protect the information of whistleblowers, ensuring that each report undergoes independent and impartial investigation and handling. Upon receiving a report, an investigation will be carried out promptly and handled fairly, with confidentiality maintained throughout the process. Periodic reviews of the whistle-blowing procedures are conducted to ensure its effectiveness.

### ***Social Responsibility***

We continue to pay attention to the development of the communities in which we operate, support social development and fulfil our social responsibilities through various public welfare activities. Through initiatives such as donating essential daily necessities and providing educational grants, we actively support local welfare and educational development. Employees are also encouraged to participate in volunteer services, contributing collectively to sustainable value creation for the community.

## BUSINESS

---

### IMPACT OF GEOPOLITICAL TENSIONS

While international economic and trade tensions have recently intensified, our business operations and financial performance have not been materially affected. With respect to tariff policies, since early 2025, the U.S. administration has implemented a series of tariff policies on Chinese imports, with rates fluctuating significantly throughout the year. During the Track Record Period, we did not engage in any direct exports to the U.S., and our revenue generated from overseas markets accounted for no more than 0.1% of our total revenue in each of 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. We do not rely on any U.S.-originated technologies or raw materials for our operations. Our raw materials are sourced entirely within China. In light of the foregoing, our Directors believe that the recent tariffs have had no material or immediate direct impact on our supply chain, production, operations and financial performance during the Track Record Period and up to the Latest Practicable Date. Additionally, as we currently do not target nor plan to shift our strategic focus to the U.S. market and the U.S. market is not expected to account for a significant portion of our revenue, our Directors are of the view that the recent tariffs will not have any material adverse impact, directly or indirectly, on our operations and financial performance in the near to mid term.

With respect to economic sanctions and U.S. export controls, based on sanctions screening conducted on our customers and suppliers during the Track Record Period, we did not identify any counterparties that were subject to economic sanctions which would restrict or prohibit our ordinary course transactions with them, nor did we establish any business relationships with entities located in comprehensively sanctioned countries or regions. Our products are not subject to the U.S. Export Administration Regulations since (i) our products are neither located in the United States nor of U.S. origin; (ii) we have not procured any U.S.-origin raw materials or components, and our products do not incorporate any U.S.-origin items; (iii) our products are not direct products of U.S. technology or software. Given that our business operations do not involve the development of integrated circuits, quantum computing or AI systems, we are therefore not subject to the investment restrictions under the U.S. Outbound Investment Security Program. In addition, we have not noted any recently implemented material trade restrictive measures by the European Union specifically targeting our industry. With respect to knock-on impacts, during the Track Record Period, our upstream suppliers and downstream customers were not materially affected by economic and trade restrictive measures in a manner that had any consequential adverse impact on our operations or financial performance, including through terminating supply to us or reducing procurement from us.

In light of the foregoing, and as advised by our Sanctions Counsel, our Directors are of the view that international trade restrictions, tariff policies, sanctions measures, export controls and investment restrictions have not had any material impact on our business operations, financial performance, future plans and strategies, and investment prospects.

That said, we acknowledge that political tensions may negatively affect trade volume, cross-border investment, and other international economic activities. In turn, this could have a material adverse impact on global economic conditions and the stability of financial and capital markets. Heightened geopolitical uncertainty and the risk of further escalation may also discourage investment in securities issued by China-based companies, including ours, and weigh on the broader macroeconomic environment.

## BUSINESS

---

### COMPLIANCE AND LEGAL PROCEEDINGS

#### Compliance

During the Track Record Period and up to the Latest Practicable Date we had not been imposed any material administrative penalties by the relevant government authorities. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any non-compliance incidents that are systemic or have a material adverse effect on our business, financial condition or results of operations.

#### ***Failure to make full contribution to the social insurance and housing provident funds***

As required by the PRC laws and regulations, we participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund and pay social insurance premiums and housing provident fund contributions for our employees. During the Track Record Period, we did not make full contributions to social insurance and housing provident fund based on the actual compensation of our employees.

In recent years, the Jiangxi Provincial Department of Human Resources and Social Security, the Jiangxi Provincial Department of Finance, and the Jiangxi Provincial Tax Service of the State Taxation Administration have jointly issued annual circulars stipulating the upper and lower limits of the urban employee social insurance contribution bases in Jiangxi Province. For instance, the *Circular on Issues Concerning the Publication of the Upper and Lower Limits of Contribution Bases for Basic Endowment Insurance, Work-related Injury Insurance and Unemployment Insurance for Urban Employees for 2025* issued by the aforementioned authorities on September 21, 2025 (the “**Jiangxi Circular**”) sets forth the relevant upper and lower limits for social insurance contributions for enterprises. Based on consultations with the competent social insurance and housing provident fund authorities, an enterprise is deemed compliant with local regulatory requirements if its contributions for social security insurance and housing provident fund are made within the limits stipulated in the Jiangxi Circular and based on the prior year’s monthly average wage published by the Fuzhou Municipal Bureau of Statistics. During the Track Record Period and up to the Latest Practicable Date, we made social insurance and housing provident fund contributions for our employees within the applicable upper and lower limits stipulated in the Jiangxi Circular and other relevant regulations. Furthermore, the relevant competent authorities have issued written confirmations certifying that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative investigations or penalties with respect to our social insurance and housing provident fund contributions, nor had we committed any material breaches of labor and social security laws and regulations. In addition, our Directors confirmed that we did not receive any order to settle any amount of social insurance and housing provident fund contributions, nor had we experienced any material claim or complaint filed against us by our employees in such respect, during the same periods. As advised by our PRC Legal Advisors, provided there are no material changes to the current regulatory framework or local implementation practices, and no material employee complaints are received, the likelihood of the relevant authorities imposing retrospective collections or administrative penalties on us for any historical underpayment of social insurance and housing provident fund contributions is remote. If we are required by the competent authorities to make supplemental social security and housing provident fund contributions or if any of our employees files any claims against us in such respect, we will pay the relevant amounts as required by the relevant laws and regulations or competent authorities.

## **BUSINESS**

---

### **Legal Proceedings**

We are subject to legal proceedings, disputes and claims that arise in the ordinary course of business, which primarily include commercial contract disputes and labor-related matters. During the Track Record Period and up to the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation.

### **INTERNAL CONTROL AND RISK MANAGEMENT**

Our internal control and risk management measures are designed to meet our specific business needs and minimize our risk exposure. We have adopted different internal guidelines, policies and procedures to monitor and reduce the impact of risks which are relevant to our business, improve our corporate governance and ensure compliance with the applicable laws and regulations. Our Board is responsible for establishing our internal control and risk management measures and reviewing their effectiveness. We have established an audit committee which comprises Mr. Zhang Wei (Chairman), Dr. Wang Jinlan and Mr. Li Siyang. For details of our audit committee, see “Directors and Senior Management” in this document. The audit committee has also adopted its terms of reference which set out clearly its duties and obligations for reviewing our compliance, accounting policies and financial reporting procedures, supervising the implementation of our internal audit system, advising on the appointment or replacement of external auditors and liaising between our internal audit department and external auditors.

We adopt a systematic approach to risk assessment, utilizing quantitative and qualitative methods to evaluate the likelihood and potential impact of identified risks. This involves regular risk assessments at the corporate and departmental levels, enabling us to prioritize risks based on their materiality to business objectives. We have developed specific mitigation strategies for key operational risks, including supply chain management, production safety, and quality control.

Compliance with all relevant laws, regulations and industry standards is crucial to our operations. Our compliance department is responsible for overseeing adherence to regulatory requirements, conducting regular audits, and providing training to employees to ensure they deepen their compliance awareness and understand their compliance obligations. We proactively communicate with regulators to understand the evolving regulatory landscape, thereby minimizing the risk of non-compliance and related penalties.

To ensure the above compliance culture is embedded into everyday workflows and to set the expectations for individual behavior across the organization, we will regularly review our risk management and internal control procedures, adopt strict accountability internally and conduct compliance training periodically. We will also continue to implement appropriate internal control measures to ensure compliance with all applicable laws and regulations. We will seek professional advice and assistance from independent internal control consultants, external legal advisors, and other relevant professional experts to address internal control and legal compliance matters, as and when appropriate.