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Application Proof of

Jiangxi Tongbo Technology Co., Ltd.
江西銅博科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(the "Company")

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Jiangxi Tongbo Technology Co., Ltd.
江西銅博科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.0 per H Share**
Stock Code	**:**	**[•]**

Sole Sponsor, [REDACTED]

國金證券(香港)有限公司
SINOLINK SECURITIES (HK) CO. LTD.

[REDACTED]

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IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to ***[REDACTED]*** *in the* ***[REDACTED]****.*

There are risks associated with any ***[REDACTED]****. Some of the particular risks in investing in the* ***[REDACTED]*** *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* ***[REDACTED]****.*

OVERVIEW

We are an electrolytic copper foil solutions provider in China, specializing in the design, research and development, production, and sales of high-performance[(i)] electrolytic copper foil. During the Track Record Period, we generated revenue primarily from the sales of lithium battery copper foil products 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 reverse-treated-foil ("**RTF**") and hyper-very-low-profile ("**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 offer 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 new energy vehicle ("**NEV**"), energy storage system ("**ESS**"), and consumer electronics, as well as advanced electronic circuit copper foils, which are critical for manufacturing printed circuit board ("**PCB**") and copper-clad laminate ("**CCL**") used in a wide array of markets including AI and high-performance computing, 5G/6G communications, consumer and 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 research and development, 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

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(i) *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.*

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.

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 BUSINESS MODEL

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 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 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 4μm to 10μm. We supply standard 6μm-10μm foils, which provide reliable performance for mainstream applications. Our focus is on the high-growth segment of high-performance copper 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 3μm–5μm foils engineered to maximize battery energy density, and customized 6μm-10μm high-performance foils designed for demanding environments requiring high safety and long service life.

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 approximately 54.3% of the global PCB market in 2025, is expected to expand from RMB358.2 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 communications 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 high-temperature elongation ("**HTE**") foil, with thicknesses ranging from 10μm to 70μm, which provides excellent thermal stability required for demanding multi-layer PCB applications. We also supply low profile ("**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 of 30.6%, according to Frost & Sullivan.

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 CCL and PCB manufacturers. To capture future opportunities driven by AI and high-performance computing applications and next-generation 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.

OUR COMPETITIVE STRENGTHS

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

- A comprehensive and integrated product portfolio, underpinned by technical expertise that combines mature mass-production systems with forward-looking research and development.

- A solid research and development foundation and refined production processes through nearly a decade of focused operation in the electrolytic copper foil industry.

- A resilient customer network by securing positions within the supply chains of numerous leading global technology companies and collaborative approaches to innovation with our leading customers.

- Leading scale production capacity with highly automated manufacturing system and complete production lines, including equipment selection and process layout tailored to our specific technical needs.

- A highly experienced and dynamic management team with deep expertise in the new energy and electrolytic copper foil industries, which integrates extensive industry knowledge with strong operational leadership.

See "Business — Our Strengths" for details.

OUR BUSINESS STRATEGIES

We intend to further entrench our competitive strengths and implement the following strategies in pursuit of our vision.

- Continuously strengthen our research and development capabilities to enhance our products' competitive advantage.

- Strengthen delivery capabilities through manufacturing capacity expansion and manufacturing system upgrades.

- Expand overseas markets and promote global business development.

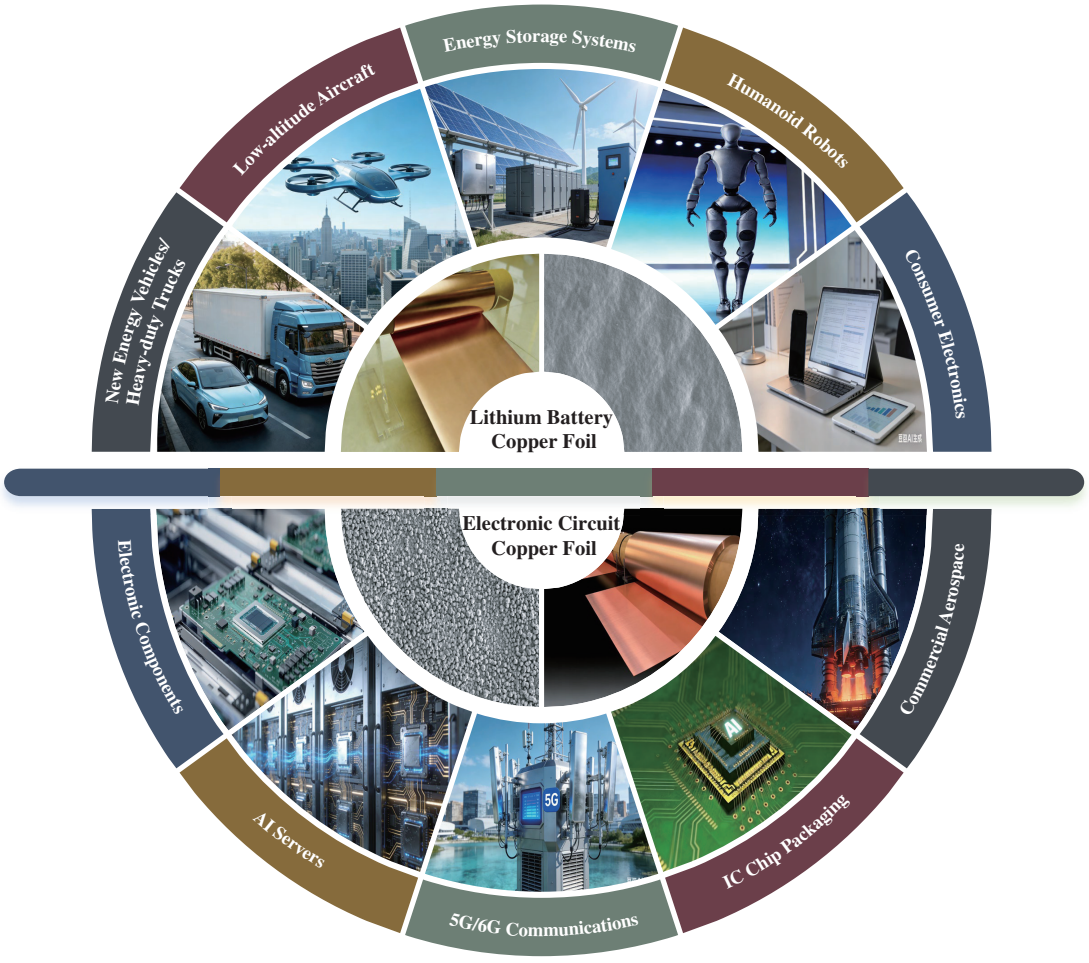
- Cultivate a professional, high-caliber workforce.

- Explore strategic collaborations and potential mergers and acquisitions opportunities.

See "Business — Our Strategies" for details.

OUR SOLUTIONS AND PRODUCT OFFERINGS

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. Our revenue generated from the sales of lithium battery copper foil products accounted for 89.1%, 88.8%, 87.8%, 86.9% and 89.3% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, while our revenue generated from the sales of electronic circuit copper foil products accounted for 10.2%, 10.9%, 11.4%, 12.8% and 8.2% of our total revenue in the same periods, respectively.



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.

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.

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.

See "Business — Our Solutions and Product Offerings" for details of our solutions and major products.

RESEARCH AND DEVELOPMENT

Our competitiveness and market positioning are 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

Our technologies enable us to develop high-performance copper foil, differentiating us from our competitors. As of the Latest Practicable Date, we have 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. We have successfully commercialized a series of high-value products, including ultra-high-strength, high-elongation ultra-thin lithium battery copper foils and electronic circuit copper foils related to AI and high-performance computing, such as RTF, HVLP and carrier copper foil, among others. 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 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. 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.

Our Collaboration with Customers and Research Institutes

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.

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.

See "Business — Research and Development" for details regarding our technologies, research and development facilities, and our collaboration with customers and research institutes.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customer base primarily comprises (i) leading lithium battery manufacturers for applications in NEV, ESS, and consumer electronics; and (ii) major PCB and CCL producers serving the AI and high-performance computing, communications, and consumer 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 million, respectively, accounting for 48.5%, 62.2%, 58.8% and 54.9% of our total revenue in the same periods, respectively.

Our Suppliers

Our supplier selection process is governed by stringent criteria designed to ensure the superior quality and reliability of our raw materials. 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.

Our supplier base primarily comprises suppliers of 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 were 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.

OUR RELATIONSHIP WITH CUSTOMER A

During each period of the Track Record Period, Customer A was our single largest customer, the revenue from which accounted for 48.5%, 62.2%, 58.8% and 54.9% of our total revenue in 2023, 2024, 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: (i) Customer A's dominant market leadership; (ii) mutual benefits with Customer A; (iii) customer diversification and ability to develop new customers; and (iv) costs and barriers for replacing copper foil suppliers.

See "Business — Customers — Our Relationship with Customer A" and "Risk Factors — We have a high concentration of customers" for details.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, some of our customers were also our suppliers of raw materials and consumables. 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. 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.

See "Business — Overlapping Customers and Suppliers" for details.

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.

MARKETING AND PROMOTION

As of the Latest Practicable Date, we had 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 PCB 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.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in our **[REDACTED]**.

Some of the major risks that we face include: (i) our business and financial performance are subject to the market and cyclical risks of the electrolytic copper foil industry, as well as the industries of our downstream customers; (ii) our business and financial performance are subject to significant competitive and cyclical pressures inherent in the electrolytic copper foil industry; (iii) we have a high concentration of customers; (iv) we had net cash outflows from operating activities in 2024, 2025 and the six months ended June 30, 2026. If we continue to have negative operating cash flows in the future, our liquidity and financial condition may be materially and adversely affected; (v) our profitability may be materially and adversely affected by intense price competition and our inability to maintain sustainable profit margins; (vi) our success depends on our ability to successfully innovate and adapt to technological evolution in downstream markets. The outcome of our research and development activities are inherently uncertain, which could impair our product competitiveness and profitability; and (vii) we are exposed to fluctuations in processing fees and other operational costs, which may have a material and adverse impact on our profitability.

INTELLECTUAL PROPERTY

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 – Further information about our Group" for more details of our material intellectual property rights.

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 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.

See "Research and Development — Our Technologies" for details regarding our core intellectual properties.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Concert Party Agreements, Mr. Li Xianyang and Mr. Li Siyang (for themselves and on behalf of entities controlled by them) agreed that they shall act in concert with respect to, *inter alia*, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of the first 36 months' period from the date of the public **[REDACTED]** of the Shares. In light of the above, Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan, a limited partnership controlled by Mr. Li Siyang, are collectively entitled to exercise voting rights of approximately 71.1% of the total issued share capital of our Company as of the Latest Practicable Date, and are considered as a group of Controlling Shareholders.

Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan will be collectively entitled to exercise voting rights underlying approximately **[REDACTED]**% of the total issued share capital of our Company, and hence they will remain as a group of Controlling Shareholders. See "Relationship with our Controlling Shareholders" for details.

[REDACTED] INVESTMENTS

Our **[REDACTED]** Investments include BYD Equity Transfer, Series A Financing, Series A+ Equity Transfer and Series B Financing. We raised a total of approximately RMB476.7 million through Series A Financing and Series B Financing. We did not receive any proceeds from BYD Equity Transfer and Series A+ Equity Transfer.

Pursuant to the PRC Company Law, all the existing Shareholders (including the **[REDACTED]** Investors) are subject to a one-year lock-up period from the **[REDACTED]**. Our **[REDACTED]** Investors consist of listed companies, private equity funds, government-led funds and private investors, some with specific focus on lithium battery, printed circuit board and electrolytic copper foil sectors. See "History, Development and Corporate Structure — Corporate Development of our Company – **[REDACTED]** Investments" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document:

Summary of Consolidated statement of Profit or Loss and Other Comprehensive Income

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
			RMB'000		
				(Unaudited)	
Revenue	**3,162,995**	**3,211,673**	**4,212,496**	**1,802,293**	**3,403,272**
Cost of sales	(2,951,445)	(3,111,890)	(3,971,193)	(1,720,650)	(3,127,116)
Gross profit	**211,550**	**99,783**	**241,303**	**81,643**	**276,156**
Other income and gains	74,470	122,116	77,850	26,694	46,153
Selling and marketing expenses	(21,722)	(13,884)	(17,261)	(7,035)	(9,892)
Administrative expenses	(69,280)	(60,834)	(65,063)	(19,641)	(31,775)
Research and development expenses	(53,825)	(46,823)	(49,406)	(21,538)	(36,278)
Reversal of impairment losses/(impairment losses) on financial assets, net	1,573	(5,508)	5,137	2,101	4,797
Other expenses	(21,049)	(11,896)	(20,375)	(9,936)	(12,764)
Finance costs	(48,515)	(61,604)	(68,365)	(39,570)	(47,780)
Profit before tax	**73,202**	**21,350**	**103,820**	**12,718**	**188,617**
Income tax (expense)/credit	(10,145)	(770)	(9,986)	562	(23,699)
Profit and total comprehensive income for the year/period	**63,057**	**20,580**	**93,834**	**13,280**	**164,918**
Profit attributable to:					
Owners of the parent	63,085	20,581	91,780	13,279	156,237
Non-controlling interests	(28)	(1)	2,054	1	8,681
	63,057	20,580	93,834	13,280	164,918

Revenue

During the Track Record Period, our revenue was primarily generated through the sales of different types of copper foil products, i.e. the lithium battery copper foil and the electronic circuit copper foil. To a lesser extent, we also generated a small portion of revenue through the sales of copper foil scrap during the Track Record Period. Our revenue generated from the sales of copper foil accounted for 99.3%, 99.7% , 99.2%, 99.7% and 97.5% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, and our revenue generated from the sales of lithium battery copper foil accounted for 89.1%, 88.8%, 87.8%, 86.9% and 89.3% of our total revenue in the same periods, respectively.

The following table sets forth the breakdown of our revenue by product in absolute amounts and as percentages 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[(i)]	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.

Our total revenue remained relatively stable at RMB3,211.7 million in 2024, as compared to RMB3,163.0 million in 2023. Our total revenue increased by 31.2% from RMB3,211.7 million in 2024 to RMB4,212.5 million in 2025, and further by 88.8% from RMB1,802.3 million in the six months ended June 30, 2025 to RMB3,403.3 million in the six months ended June 30, 2026, primarily due to our increased sales of lithium battery copper foil products, as a result of the strong market demand in the lithium battery industry, such as the power and energy storage sectors.

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	368,772	10.8
High-performance	239,326	7.6	1,880,659	58.6	2,887,572	68.5	1,191,489	66.1	2,671,319	78.5
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 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.

The following table sets forth the price range and sales volume of our electrolytic copper foil products for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*
Lithium Battery copper foil										
– Standard	81.8	31,492.4	78.3	12,409.5	85.9	9,468.1	83.9	4,462.5	104.7	3,522.0
– High-performance	87.4	2,739	83.2	22,598.5	87.8	32,872.3	84.2	14,158.5	107.1	24,947.0
Sub-total	82.3	34,231.4	81.5	35,008.0	87.4	42,340.4	84.1	18,621.0	106.8	28,469.0
Electronic circuit copper foil	74.8	4,317.6	78.7	4,465.4	83.5	5,733.3	81.2	2,846.2	104.2	2,686.7
Total		**38,549.0**		**39,473.4**		**48,073.7**		**21,467.2**		**31,155.7**

During the Track Record Period, the average selling prices of our high-performance lithium battery copper foil products were higher than those of our standard lithium battery copper foil products, as our high-performance products can charge higher processing fees due to its technological advancement. In addition, sales volume of 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. The average selling price of our lithium battery copper foil products in 2024 was lower than those in 2023 and 2025, as a result of the temporary oversupply in the lithium battery copper foil market in 2024 that led to a decrease in our processing fees. The average selling price and sales volume of our lithium battery copper foil products increased significantly from the six months ended June 30, 2025 to the six months ended June 30, 2026, as a result of the extremely high demand from our downstream industries. The increasing trend of the average selling price of our electronic circuit copper foil products enabled this business segment to turn from loss-making position to profit-making position, and our electronic circuit copper foil business is expected to further improve its profitability in 2026.

We sell our copper foil products primarily in the Chinese mainland. During the Track Record Period, we also sold products to overseas customers. The following table sets forth the breakdown of our revenue by geographical markets in absolute amounts and as percentages 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)*			
Geographical markets										
Chinese mainland	3,162,995	100.0	3,208,196	99.9	4,211,858	100.0	1,801,983	100.0	3,403,182	100.0
Overseas	–	–	3,477	0.1	638	0.0	310	0.0[1]	90	0.0[1]
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) Less than 0.1%

Government Grants and Subsidies

During the Track Record Period, government grants and subsidies were important to our business operations, cash flow and results of operations. Our government grants and subsidies consisted primarily of additional VAT credit for advanced manufacturing, electricity subsidies, research and development projects, industrial subsidy, and fixed assets investments. Most of these government grants and subsidies were given on a one-off basis and at the discretion of the local governments. The government grants and subsidies we received were also uncertain and subject to criteria and procedures stipulated by the local governments, such as the completion of the specified milestones of certain fixed assets investment.

Our government grants and subsidies increased from RMB57.1 million in 2023 to RMB109.3 million in 2024, primarily due to the additional VAT credit for advanced manufacturing and electricity subsidies. Our government grants and subsidies decreased from RMB109.3 million in 2024 to and RMB62.0 million in 2025, primarily due to the cessation of the electricity subsidy. Our government grants and subsidies increased from RMB17.7 million in the six months ended June 30, 2025 to RMB39.7 million in the six months ended June 30, 2026, primarily due to receipt of additional VAT credit for advanced manufacturing companies and one-off industrial development grants for Sichuan Tongbo.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The following table sets forth a breakdown of our gross profit and gross profit margin by product for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*
							(Unaudited)			
Copper foil										
– Lithium battery copper foil	224,217	8.0	109,475	3.8	238,203	6.4	80,438	5.1	256,994	8.5
– Electronic circuit copper foil	(9,532)	(3.0)	(9,643)	(2.7)	3,794	0.8	1,825	0.8	17,359	6.2
Sub-total	214,685	6.8	99,832	3.1	241,997	5.8	82,263	4.6	274,353	8.3
Others	(3,135)	(13.4)	(49)	(0.6)	(694)	(2.1)	(620)	(12.2)	1,803	2.2
Total	**211,550**	**6.7%**	**99,783**	**3.1%**	**241,303**	**5.7%**	**81,643**	**4.5%**	**276,156**	**8.1%**

As we adopt a "copper price plus processing fee" pricing model, our gross profit is primarily driven by the processing fee, which is influenced by factors such as market conditions and our technological capabilities. Our gross profit margin is calculated by dividing gross profit by revenue and is therefore affected by both the processing fee and the price of copper. However, because fluctuations in copper prices can generally be passed on to our customers, the processing fee is the key determinant of our gross profit margin. In addition, as sales of lithium battery copper foil accounted for the largest portion of our total sales during each period of the Track Record Period, the gross profit and gross profit margin of lithium battery copper foil have a significant impact on our overall gross profit and overall gross profit margin.

Our business of electronic circuit copper foil was loss-making in 2023 and 2024, primarily due to the slowdown in market growth in the downstream industries. It is common for electronic circuit copper foil manufacturers to record losses in 2023 and 2024 as a result of such market slowdown, according to Frost & Sullivan. During such market slowdown period, we strategically and temporarily changed our focus to our business of lithium battery copper foil which continued to maintain robust market demand, while maintaining a necessary level of the production of electronic circuit copper foil to retain long-term, stable business relationships with important customers, such as those in the PCB and CCL industries. As a result, the production scale of our electronic circuit copper foil business was insufficient to achieve economies of scale. Although we adopted "copper price plus processing fee" pricing model for this business segment, as our cost of sales (such as manufacturing costs) remained at levels that exceeded the processing fees we were able to charge, we recorded losses in this business segment in 2023 and 2024. Benefiting from the strong market demand from the downstream industries, in particular the AI PCB related sectors, the gross profit of our electronic circuit copper turned positive in 2025, and increased significantly from RMB1.8 million in the six months ended June 30, 2025 to RMB17.4 million in the six months ended June 30, 2026. We will continue to closely monitor market conditions and intend to scale up our electronic circuit copper foil business in the AI and high-performance computing and 5G/6G communications industries when market demand improves.

Our gross profit decreased from RMB211.6 million in 2023 to RMB99.8 million in 2024, and our gross profit margin decreased from 6.7% in 2023 to 3.1% in 2024. The decreases in both our gross profit and gross profit margin were primarily due to the decreases in the gross profit and gross profit margin of our lithium battery copper foil products, the sales of which constituted the largest portion of our total revenue, as a result of the temporary oversupply in the lithium battery copper foil market, resulting in a decrease in our processing fees. Our gross profit increased significantly from RMB99.8 million in 2024 to RMB241.3 million in 2025 and further from RMB81.6 million in the six months ended June 30, 2025 to RMB276.2 million in the six months ended June 30, 2026, and our gross profit margin increased from 3.1% in 2024 to 5.7% in 2025 and further from 4.5% in the six months ended June 30, 2025 to 8.1% in the six months ended June 30, 2026. The increases in both our gross profit and gross profit margin were primarily due to the increases in the gross profit and gross profit margin of our lithium battery copper foil products, the sales of which constituted the largest portion of our total revenue, as a result of (i) the increasing, robust demand in the lithium battery copper foil market, resulting in the increases in our sales volume and bargaining power to charge higher processing fees, as the case may be, and (ii) more sales of our high-performance lithium battery copper foil products.

The following table sets forth the breakdown of our gross profit and gross profit margins generated from the sales of lithium battery copper foil by type of products for the years indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit (RMB'000)	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*
Lithium battery copper foil										
Standard	218,478	8.4	14,834	1.5	41,504	5.1	13,354	3.6	25,206	6.8
High-performance	5,739	1.0	94,641	5.0	196,699	6.8	67,084	5.6	231,788	8.7
Total	**224,217**	**8.0%**	**109,475**	**3.8%**	**238,203**	**6.4%**	**80,438**	**5.1%**	**256,994**	**8.5%**

Gross profits and gross profit margins of our high-performance lithium battery copper foil products increased significantly during the Track Record Period, accounting for an increasing portion of our total gross profits during the Track Record Period. This reflected our efforts to strategically expand our high-performance products business and the strong market demand for high-performance copper foil products. Our standard lithium battery copper foil products recorded a low gross profit margin in 2024, primarily due to the low processing fee we charged in 2024 as a result of the temporary oversupply of the lithium battery copper foil market in 2024. We recorded a relatively low gross profit margin for our high-performance lithium battery copper foil products in 2023, primarily because when we started our high-performance product business in 2023, we made a large amount of upfront investments and our manufacturing technology was not mature enough back then. The gross profit margins of our high-

performance lithium battery copper foil products increased significantly from 2023 to 2024, primarily due to the economies of scales achieved for the production of our high-performance products; while the increases from 2024 to 2025 and from the six months ended June 30, 2025 to the six months ended June 30, 2026 were primarily due to the higher processing fees we charged reflecting the technological advancement of these high-performance products.

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	1,455,443	1,077,793	1,244,487	1,794,719
Total current assets	1,917,439	3,109,538	3,593,552	4,570,272
Total current liabilities	1,583,847	2,563,846	2,972,011	3,946,308
Net current assets	**333,592**	**545,692**	**621,541**	**623,964**
Total assets less current liabilities	**1,789,035**	**1,623,485**	**1,866,028**	**2,418,683**
Total non-current liabilities	455,287	248,669	286,749	590,486
Net assets	**1,333,748**	**1,374,816**	**1,579,279**	**1,828,197**

See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position" for the details of our balance sheet items.

Net Current Assets

We recorded net current assets of RMB333.6 million, RMB545.7 million, RMB621.5 million, RMB624.0 million and RMB700.5 million as of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, respectively.

For more details regarding our net current assets positions, see "Financial Information — Net Current Assets."

Net Assets

Our net assets increased from RMB1,333.7 million as of December 31, 2023 to RMB1,374.8 million as of December 31, 2024, as a result of (i) our net profit of RMB20.6 million generated in 2024 and (ii) equity-settled share-based payment expense of RMB20.5 million recorded in 2024. Our net assets further increased from RMB1,374.8 million as of December 31, 2024 to RMB1,579.3 million as of December 31, 2025, as a result of (i) our net profit of RMB93.8 million generated in 2025, (ii) equity-settled share-based payment expense of RMB5.6 million recorded in 2025, and (iii) capital contribution from non-controlling shareholders of RMB105.0 million in 2025. Our net assets increased from RMB1,579.3 million as of December 31, 2025 to RMB1,828.2 million as of June 30, 2026, as a result of (i) our net profit of RMB164.9 million generated in the six months ended June 30, 2026, and (ii) capital contribution from non-controlling shareholders of RMB84.0 million in the six months ended June 30, 2026.

See "Financial Information — Period to Period Comparison of Results of Operations" for details regarding the fluctuations of our net profit during the Track Record Period.

Summary of Consolidated Statements of Cash Flow

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash flows from/(used in) operating activities	106,167	(715,438)	(416,010)	(141,595)	(934,712)
Net cash flows used in investing activities	(17,476)	(46,270)	(10,156)	(121,716)	(359,097)
Net cash flows (used in)/from financing activities	(96,665)	649,033	725,187	358,325	1,608,856
Net (decrease)/increase in cash and cash equivalents	(7,974)	(112,675)	299,021	95,014	315,047
Cash and cash equivalents at beginning of year/period	227,720	219,746	107,078	107,078	406,196
Cash and cash equivalents at end of year/period	**219,746**	**107,078**	**406,196**	**202,093**	**721,232**

Our net cash flows used in operating activities in 2024, 2025 and the six months ended June 30, 2026 was primarily due to (i) our business nature – we used cash to purchase copper, while we received bank acceptance notes from certain customers for sales of our products and (ii) the cash received from our discounted bills where the related bills were not derecognized were classified in cash flows from financing activities. See Note 31 to the Accountants' Report in Appendix I to this document for details. It is an industry norm for copper foil manufacturers to record net cash outflow as a result of the inherent business nature as explained above, according to Frost & Sullivan.

See "Financial Information — Liquidity and Capital Resources" for details regarding our cash flow.

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated:

	Years ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
		%		
Profitability ratio				
Gross profit margin[(1)]	6.7	3.1	5.7	8.1
Net profit margin[(2)]	2.0	0.6	2.2	4.8
Return on equity[(3)]	4.9	1.5	6.4	N/A
Return on assets[(4)]	1.8	0.5	2.1	N/A

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Liquidity ratios				
Current ratio[(5)]	1.2	1.2	1.2	1.2
Quick ratio[(6)]	1.0	1.0	1.0	0.9
Capital adequacy ratio				
Net debt to capitalization ratio (%)[(7)]	56.4	65.5	64.5	68.3

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
(2) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
(3) Return on equity is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.
(4) Return on assets is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
(5) Current ratio is calculated based on total current assets divided by total current liabilities as of the end of the corresponding period.
(6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the end of the corresponding period.
(7) Net debt to capitalization ratio is calculated based on our net debt as of the end of each period divided by our total capital plus net debt as of the same date. Net debt is the sum of our interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals and lease liabilities, less cash and cash equivalents. Total capital equals equity attributable to the owners of the parent.

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.

COMPLIANCE AND LEGAL PROCEEDINGS

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. 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.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration or administrative proceedings that could have a material and adverse effect on our business, financial condition or results of operations. As of the Latest Practicable Date, our Directors were not involved in any actual or threatened material claims or litigation. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For the potential impact of legal or administrative proceedings on us, see "Risk Factors — Risks Relating to Our Business and Industry — If we become subject to litigation, legal or contractual disputes, governmental investigations, arbitration or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities."

APPLICATION FOR [REDACTED] ON THE [REDACTED]

We have applied to the **[REDACTED]** of the Stock Exchange under **[REDACTED]** of the Listing Rules for the granting of the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares to be issued pursuant to the **[REDACTED]** and the H Shares to be **[REDACTED]** from the **[REDACTED]** on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule **[REDACTED]** of the

Listing Rules with reference to (i) our revenue of approximately RMB4,212.5 million (equivalent to approximately HK$4,864.9 million) for the year ended December 31, 2025, which exceeds HK$500 million; and (ii) our expected **[REDACTED]** at the time of **[REDACTED]**, which, based on **[REDACTED]** of the indicative **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, exceeds HK$4 billion as required under Rule **[REDACTED]** of the Listing Rules.

[REDACTED] STATISTICS

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

	Based on the [REDACTED] of HK$ [REDACTED] per Share	**Based on the [REDACTED] of HK$ [REDACTED] per Share**
[REDACTED] of our Shares[(1)]	HK$ **[REDACTED]** million	HK$ **[REDACTED]** million
[REDACTED] of our H Shares	HK$ **[REDACTED]** million	HK$ **[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to owners of the Company per Share[(2)]	HK$ **[REDACTED]**	HK$ **[REDACTED]**

Notes:

*(1) The calculation of market **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.*

*(2) Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is calculated after making adjustments referred to "Appendix II – Unaudited **[REDACTED]** Financial Information" in this document. No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2026.*

[REDACTED]

Our **[REDACTED]** primarily include **[REDACTED]**, professional fees paid to legal advisers, the Reporting Accountants and other professional parties for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** for the **[REDACTED]** are approximately RMB**[REDACTED]** million (comprising RMB**[REDACTED]** million **[REDACTED]** expenses, RMB**[REDACTED]** million fees and expenses of legal advisors and accountants, RMB**[REDACTED]** million **[REDACTED]** fees and RMB**[REDACTED]** million other fees and expenses), representing approximately **[REDACTED]**% of the gross **[REDACTED]**, based on the **[REDACTED]** of our indicative **[REDACTED]** for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. During the Track Record Period, we incurred **[REDACTED]** of RMB**[REDACTED]** million, of which RMB**[REDACTED]** million was recognized in our statements of profit or loss for the year ended December 31, 2025 and the six months ended June 30, 2026, and RMB**[REDACTED]** million to be accounted for as a deduction from equity upon the **[REDACTED]**. Subsequent to the Track Record Period, we expect to incur **[REDACTED]** of RMB**[REDACTED]** million prior to and upon completion of the **[REDACTED]**, of which RMB**[REDACTED]** million is expected to be recognized as expenses in our statements of profit or loss, and RMB**[REDACTED]** million is expected to be accounted for as a deduction from equity upon the **[REDACTED]**. The **[REDACTED]** to be incurred subsequent to the Track Record Period consist of (i) **[REDACTED]**-related expenses of RMB**[REDACTED]** million; and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]** million, including (a) fees payable to our legal advisors and Reporting Accountants of RMB**[REDACTED]** million; (b) **[REDACTED]** fees of RMB**[REDACTED]** million and (c) other fees and expenses of RMB**[REDACTED]** million. The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a formal dividend policy.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

We paid dividends of RMB11.6 million, nil, nil and nil in 2023, 2024, 2025 and the six months ended June 30, 2026. For further details, see note 12 to the Accountants' Report in Appendix I to this document. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Subject to our constitutional documents, our Directors are entitled to propose dividend distributions to the shareholders' meeting, which shall have the final discretion to determine whether to implement such distributions. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting **[REDACTED]** commissions, fees and estimated expenses payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share.

We currently intend to apply these net **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used to expand our production capacity. This investment is a core component of our growth strategy, designed to fortify our back-end infrastructure to support the growth of our expanding business operations, ensuring high quality, efficient, and compliant production capabilities;

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for continuous investment in our research and development activities to advance our technologies. This investment is aimed at improving our research and development capability to satisfy emerging industry trends and specific customer requirements; and

- Approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for working capital and other general corporate purposes.

See "Future Plans and Use of **[REDACTED]**" for details.

RECENT DEVELOPMENT

Our smart and automated manufacturing plant in Sichuan Province, with an initial annual designed capacity of approximately 20,000 tons, commenced operations in August 2026 and is expected to reach full production capacity in the fourth quarter of 2026.

In addition, we have entered into an investment agreement for the construction of an additional production facility for our electronic circuit 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. Moreover, we have supplied certain RTF and HVLP products to several leading domestic PCB and CCL manufacturers, which are expected to be a key growth driver of our future business.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the Latest Practicable Date, (i) there had been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees, prospects, the industry where we operate, our market or regulatory environment to which we are subject since June 30, 2026, being the date of the latest consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document; and (ii) there has been no event since June 30, 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms".

"affiliate"	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
"AFRC"	the Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company adopted on October 30, 2025 with effect from the **[REDACTED]**, as amended from time to time, a summary of which is set out in Appendix III to this document
"Audit Committee"	the audit committee of our Board
"Board"	the board of directors of our Company
"business day"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BYD"	BYD Company Limited(比亞迪股份有限公司), a joint stock company with limited liability established in the PRC, the A shares of which have been listed on Shenzhen Stock Exchange (stock code: 002594.SZ) and H shares of which have been listed on the Stock Exchange (stock code: 1211.HK), being one of our **[REDACTED]** Investors
[REDACTED]	**[REDACTED]**
"CATL"	Contemporary Amperex Technology Co., Limited(寧德時代新能源科技股份有限公司), a joint stock company with limited liability established in the PRC, the A Shares of which have been listed on Shenzhen Stock Exchange (stock code: 300750.SZ) and the H Shares of which have been listed on the Stock Exchange (stock code: 3750.HK)
[REDACTED]	**[REDACTED]**
"Chairman"	the chairman of our Board
"Chengdu Dingyi"	Chengdu Dingyixing Enterprise Management Partnership (Limited Partnership)(成都鼎益興企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 2, 2024, being one of our **[REDACTED]** Investors

"China" or "PRC"	the People's Republic of China, which for the purpose of this document only, exclude Hong Kong, Macau and Taiwan
"Chuangqi Kaiying"	Jiaxing Chuangqi Kaiying Venture Capital Partnership Enterprise (Limited Partnership)(嘉興市創啟開盈創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 8, 2020, being one of our **[REDACTED]** Investors
"close associate"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Jiangxi Tongbo Technology Co., Ltd.(江西銅博科技股份有限公司), a limited liability company established under the laws of the PRC on August 18, 2016 and converted into a joint-stock company with limited liability on December 20, 2022
"Concert Party Agreements"	the concert party agreement dated December 1, 2019 and the supplemental agreement entered into in May 9, 2023, details of which are set out in "History, Development and Corporate Structure — Concert Party Arrangements" in this document
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depository and Clearing Co., Ltd.(中國證券登記結算有限責任公司)
"CSDC Hong Kong"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	China Securities Regulatory Commission(中國證券監督管理委員會)
[REDACTED]	**[REDACTED]**
"Director(s)"	the director(s) of our Company
"ESG"	environmental, social and governance

"Exchange Participant(s)"	a person (a) who, in accordance with the Listing Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"F&S" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
[REDACTED]	**[REDACTED]**
"Frost & Sullivan Report" or "F&S Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document
"Fuzhou Gaoxin"	Fuzhou High-tech Industrial and Technological Innovation Investment Co., Ltd.(撫州高新工業與科技創新投資有限公司), a limited company established in the PRC on July 28, 2008, being one of our **[REDACTED]** Investors
"General Manager"	the general manager of our Company
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Group", "our Group", "we" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"Guangdong Huatai"	Guangdong Huatai Investment Partnership Enterprise (Limited Partnership)(廣東驊泰投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 27, 2025, being one of our Shareholders
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange, which came to effect on January 1, 2024, as amended from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which are to be subscribed for and **[REDACTED]** in Hong Kong dollars and to be **[REDACTED]** on the Stock Exchange
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollar" or "HK dollar" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong Stock Exchange" or "Stock Exchange"	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Huiyou Venture"	Ningbo Meishan Free Trade Zone Huiyou Venture Capital Partnership Enterprise (Limited Partnership)(寧波梅山保税港區匯優創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 22, 2020, being one of our Pre-**[REDACTED]** Investors
"Independent Third Party(ies)"	party or parties that, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is or are not our connected person(s), within the meaning of the Listing Rules
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Ji'an Tongbo"	Ji'an Tongbo Technology Co., Ltd.（吉安銅博科技有限公司), a limited company established in the PRC on August 5, 2026, being a subsidiary of our Company
"Jinhua Jinkai"	Jinhua Jinkai Dehong Lianxin Bifang No. 2 Investment Center (Limited Partnership)(金華金開德弘聯信畢方貳號投資中心(有限合夥)), a limited partnership established in the PRC on September 15, 2021, being one of our **[REDACTED]** Investors

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Latest Practicable Date"	August 25, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Macau"	the Macao Special Administrative Region of the People's Republic of China
"MIIT"	The Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"Nomination Committee"	the nomination committee of our Board
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC Legal Advisor"	DeHeng Law Offices, our legal advisor as to PRC laws
"**[REDACTED]** Investment(s)"	the investment(s) in our Company undertaken by the **[REDACTED]** Investor(s) pursuant to the respective agreements, details of which are set out in "History, Development and Corporate Structure — Corporate Development of our Company — **[REDACTED]** Investments" in this document
"**[REDACTED]** Investor(s)"	the investor(s) from whom our Company obtained **[REDACTED]** Investments, details of which are set out in "History, Development and Corporate Structure — Corporate Development of our Company — **[REDACTED]** Investments" in this document
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"province"	for the purpose of this document only, refers to a province, a provincial-level autonomous region or a municipality of the PRC
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Remuneration Committee"	the remuneration committee of our Board
"Reporting Accountants"	Ernst & Young

"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration for Foreign Exchange (國家外匯管理局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, consisting of **[REDACTED]** Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Shengeng Tongbo"	Jiangxi Shengeng Tongbo Technology Co., Ltd. (江西省深耕銅箔科技有限公司), a company established in the PRC on January 10, 2020 with limited liability, being one of our subsidiaries
"Shenzhen Huiying"	Shenzhen Huiying New Energy Industry Partnership Enterprise (Limited Partnership)(深圳匯盈新能源產業合夥企業(有限合夥)), a limited partnership established in the PRC on November 24, 2021, being one of our previous Shareholders
"Shenzhen Leijin"	Shenzhen Leijin Changyang Investment Partnership Enterprise (Limited Partnership)(深圳市磊晉昶陽投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 24, 2022, being one of our **[REDACTED]** Investors
"Sichuan Dingxiang"	Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司), a limited company established in the PRC on July 17, 2014 being one of our previous Shareholders
"Sichuan Tongbo"	Sichuan Tongbo Technology Co., Ltd. (四川銅博科技有限公司), a company established in the PRC on July 5, 2023 with limited liability, being one of our subsidiaries
"Sole Sponsor"	Sinolink Securities (Hong Kong) Company Limited
[REDACTED]	**[REDACTED]**

"Southeast Tech Innovation"	Nanjing Southeast Science and Technology Innovation Industry Development Fund (Limited Partnership)(南京東南科創產業發展基金(有限合夥)), a limited partnership established in the PRC on December 9, 2022, being one of our Pre-**[REDACTED]** Investors
[REDACTED]	**[REDACTED]**
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of our Board
"Takeovers Code"	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Thriving Capital"	Thriving Capital LLP (寧波梅山保税港區超興創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 9, 2017, being one of our **[REDACTED]** Investors
"Tong Chuang"	Gongqingcheng Tong Chuang Investment Partnership Enterprise (Limited Partnership)(共青城銅創投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2021, being one of our Shareholders
"Tong De"	Gongqingcheng Tong De Investment Partnership Enterprise (Limited Partnership)(共青城銅德投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 22, 2021, being one of our Shareholders
"Tong Xin"	Gongqingcheng Tong Xin Investment Partnership Enterprise (Limited Partnership)(共青城銅心投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2021, being one of our Shareholders
"Tongbo Materials"	Jiangxi Tongbo Materials Co., Ltd. (江西銅博材料有限公司), a company established in the PRC on June 27, 2025 with limited liability, being one of our subsidiaries
"Track Record Period"	the period comprising the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

"United States" or "U.S."	the United States of America
[REDACTED]	**[REDACTED]**
"VAT"	value-added tax
"Xiamen Huiyou"	Xiamen Huiyou Haojia Equity Investment Partnership Enterprise (Limited Partnership)(廈門市惠友豪嘉股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 29, 2021, being one of our **[REDACTED]** Investors
"Yibin Chendao"	Yibin Chendao Capital LLP(宜賓晨道新能源產業股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 12, 2021, being one of our **[REDACTED]** Investors
"Zhongjin Yibin"	Zhongjin (Yibin) Ecological Civilization Industry Development Equity Investment Partnership Enterprise (Limited Partnership)(中金(宜賓)生態文明產業發展股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 11, 2022, being one of our **[REDACTED]** Investors
"Zhuhai Xinyan"	Zhuhai Xinyan Enterprise Management Partnership (Limited Partnership)(珠海市鑫岩企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 15, 2021, being one of our Controlling Shareholders

Unless otherwise expressly stated or the content otherwise requires, in this document:

- *all times refer to Hong Kong time and references to years in this document are to calendar years;*
- *the terms "associate(s)", "close associate(s)", "connected person(s)", "core connected person(s)", "connected transaction(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings ascribed to such terms in the Listing Rules; and*
- *certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them.*

The English names of the PRC entities, laws, rules, regulations, nationals, entities, governmental authorities, institutions, facilities, certificates and titles etc. mentioned in this document, are translations from their Chinese names and are for identification purpose only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms, definitions and abbreviations used in this document in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.

"5G"	a mobile communications standard intended to replace 4G, allowing wireless internet access at a much higher speed.
"6G"	the next evolution of cellular technology after 5G, promising significantly faster speeds, lower latency (down to microseconds), higher capacity, and enhanced intelligence by integrating technologies like AI, sensing, and quantum computing
"AI"	a technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy
"anode current collector"	a highly conductive metal foil that serves as a structural support and electrical pathway for the anode's active material, connecting it to the battery's external circuit to facilitate electron flow during charging and discharging
"automotive electronics"	electronic systems used in vehicles, including engine management, ignition, radio, carputers, telematics, in-car entertainment systems, and others
"battery energy density"	the amount of energy a battery stores relative to its weight or size, indicating how much power fits into a compact, light package
"CAGR"	compound annual growth rate
"carrier copper foil"	an ultra-thin copper foil supported by a peelable carrier, used to facilitate the fabrication of fine-line circuits in HDI PCB and IC substrate manufacturing
"cathode copper"	a high-purity, rectangular plate of refined copper
"cathode drum surface"	the ultra-smooth, precisely engineered surface of a large rotating drum, typically made of titanium, used in electrodeposited copper foil manufacturing
"cathode roller"	a crucial component, typically a large, precision-engineered cylinder (often titanium-copper-steel composite) used in producing lithium-ion battery electrodes and electrolytic copper foil, acting as the cathode surface where metal ions plate to form a uniform foil layer
"CCL"	copper clad laminate. A fundamental printed circuit board substrate in printed circuit board manufacturing, is the most widely used and is used to fabricate the boards

GLOSSARY OF TECHNICAL TERMS

"consumer electronics"	electronic devices such as televisions, computers, or smartphones, bought for personal rather than commercial use
"data centers"	a large group of networked computer servers typically used by organizations for the remote storage, processing, or distribution of large amounts of data
"digital twin"	a digital model of an intended or actual real-world physical product, system, or process that serves as a digital counterpart of it for purposes
"electronic circuit copper foil"	a thin, flexible sheet of pure copper used as the conductive layer in printed circuit boards and other electronic components, forming the pathways that carry electrical signals, connect components, and dissipate heat, owing to copper's excellent conductivity and malleability
"electrolytic copper foil"	a metal foil material produced by electrolyzing a copper sulfate solution to deposit copper ions on the cathode
"energy storage"	the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production
"ESS"	an energy storage system captures energy produced at one time and stores it for later use, crucial for balancing electricity supply and demand, stabilizing grids, and integrating intermittent renewables like solar and wind power
"eVTOL"	electric vertical tack-off and landing aircraft
"GFA"	gross floor area
"GWh"	gigawatt-hour. A large unit of electrical energy, representing one billion watt-hours or one million kilowatt-hours
"HDI"	high-density interconnect. The cutting-edge technology for the production of printed circuit boards
"high-performance computing"	a technology that uses clusters of powerful processors that work in parallel to process massive, multidimensional data sets and solve complex problems at extremely high speeds
"high-speed communication"	rapid data transmission using technologies like fiber optics, 5G, and advanced wireless/wired protocols, enabling real-time multimedia and remote operations by overcoming latency and bandwidth limitations for demanding applications like telesurgery and digital twins
"HTE"	high-temperature elongation

"HVLP"	hyper-very-low-profile foil. A highly specialized, exceptionally smooth copper foil, often just a few micrometers thick, designed for high-frequency high speed electronics (like 5G/AI) to minimize signal loss, featuring surface roughness typically below 2.5 μm by controlling crystal structure, crucial for high-speed data transmission where traditional rough foils increase resistance due to the skin effect
"integrated circuit" or "IC"	a set of electronic circuits on one small flat piece (or "**chip**") of semiconductor material, usually silicon
"industrial control system"	a general term for hardware and software systems that monitor and control industrial processes, automating operations for efficiency and safety in critical sectors like energy, manufacturing, and water treatment
"IoT"	Internet of things. Physical objects that are embedded with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet or other communication networks
"lithium batteries"	an efficient and rechargeable energy storage device, serve as a core foundation supporting the energy transition in electric transportation, new power systems, and other fields
"lithium battery copper foil"	a critical functional component of the lithium battery that serves as the anode current collector
"low-altitude economy"	the emerging economic ecosystem centered around activities, businesses, and services conducted at altitudes below 3,000 meters above ground level
"low-voltage"	electrical systems operating at relatively low voltage, generally under 1,000 volts alternating current or 1,500 volts direct current
"LP foil"	low-profile foil. A copper foil with exceptionally smooth surfaces achieved through micro-roughening treatments, reducing signal loss in high-speed applications, with classifications like ultra-low profile having roughness under 1-2 μm, compared to standard foils
"MPa"	megapascal. A unit of pressure or stress in the International System of Units
"multi-metal anode current collector"	an advanced battery component, often a base foil modified with thin layers or porous structures of other metals to improve lithium metal anode performance, providing better lithium plating/stripping, enhanced conductivity, superior stability, and reduced dendrite formation for safer, higher-energy batteries
"NEV"	new energy vehicle. A term used to describe all types of electric vehicles, from battery-powered fully electric vehicles to plug-in hybrid cars

GLOSSARY OF TECHNICAL TERMS

"new energy materials"	advanced substances engineered for efficient energy capture, conversion, storage, and usage in renewable energy technologies, replacing fossil fuels
"PCB"	printed circuit board. A core material in the electronics industry, supports the development of electronic products toward higher performance, miniaturization, and intelligence
"PDA"	personal digital assistants
"peel strength"	the force per unit width needed to separate two bonded materials at a specific angle and speed, measuring the adhesive's bond strength
"porous copper foil"	a high-surface-area copper material with a 3-dimension porous structure
"RFID"	radio frequency identification
"RTF"	reverse treated electrolytic copper foil. A copper foil that has been roughened to varying degrees on both sides
"Rz"	a surface roughness parameter measuring the average peak-to-valley height
"signal intergrity"	a set of measures of the quality of an electrical signal
"skin effect"	the tendency of an alternating electric current to become distributed within a conductor such that the current density is largest near the surface of the conductor and decreases exponentially with greater depths in the conductor
"solid-liquid batteries"	semi-solid-state battery. An advanced energy storage device that bridges traditional lithium-ion and fully solid-state batteries, using a gel-like or slurry electrolyte to improve safety and energy density, reducing fire risks while offering better performance than liquid batteries
"solid-state batteries"	an electrical battery that uses a solid electrolyte to conduct ions between the electrodes, instead of the liquid or gel polymer electrolytes found in conventional batteries
"STD copper foil"	conventional standard copper foil
"tensile strength"	the maximum stress a material can endure while being stretched or pulled before it breaks or permanently deforms
"UL Solutions"	a global independent safety science company with more than a century of expertise innovating safety solutions

FORWARD-LOOKING STATEMENTS

This document contains certain statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believe(s)", "aim(s)", "estimate(s)", "plan(s)", "project(s)", "anticipate(s)", "expect(s)", "going forward", "intend(s)", "may", "might", "seek(s)", "can", "could", "ought to", "potential", "will" or "should" or similar expressions, or, in each case, their negative or other variations, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. In particular, references to "estimate(s)" only refer to situations where best estimates have been adopted by the management. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our business, results of operations, financial position, liquidity, prospects, growth, strategies and the industries and markets in which we operate or may operate in the future.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance or the actual results of our operations, financial position and liquidity. The development of the markets and the industries in which we operate may differ materially from the description or implication suggested by the forward-looking statements contained in this document. In addition, even if our results of operations, financial position and liquidity as well as the development of the markets and the industries in which we operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- our operations and business prospects;
- our ability to maintain and enhance our market position;
- our future business development, financial condition and results of operations;
- our ability to successfully implement our business plans and strategies;
- the competitive landscape for our business and the development and actions of our existing and future competitors;
- general political, economic, legal and social conditions and government policies in the PRC and other jurisdictions;
- our proposed use of **[REDACTED]** from the **[REDACTED]**;
- our future capital needs and capital expenditure plans;
- our dividend payout;
- other statements in this document that are not historical facts; and
- other factors beyond our control.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statement in this document reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. **[REDACTED]** should specifically consider the factors identified in this document, which could cause actual results to differ, before making any **[REDACTED]** decision. Subject to the requirements of the Listing Rules and except as may be required by applicable law, we undertake no obligation to revise any forward-looking statements that appear in this document to reflect any change in our expectations, or any events or circumstances, that may occur or arise after the date of this document. All forward-looking statements in this document are qualified by reference to this cautionary statement.

*You should carefully consider all of the information set out in this document, including the risks and uncertainties described below, before making an **[REDACTED]** in our H Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The **[REDACTED]** of our H Shares could decline due to any of these risks, and you may lose all or part of your **[REDACTED]**. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.*

There are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the PRC; and (iii) risks relating to the **[REDACTED]**. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and financial performance are subject to the industries of our downstream customers.

Our business and financial performance are directly tied to the health, growth, and cyclicality of our downstream customers' industries. We operate as a critical upstream supplier of electrolytic copper foil, meaning our business is inherently exposed to the market dynamics and demand fluctuations of our two distinct product pillars, namely lithium battery copper foil and electronic circuit copper foil. Our success is therefore contingent upon the sustained performance and growth of critical technology sectors such as NEV, ESS, robotics, consumer electronics, AI infrastructure, and telecommunications.

For our lithium battery copper foil products, demand is predominantly driven by the adoption rates of NEV, the expansion of ESS and consumer electronics, among others. Specifically, as the core component supporting the electrification of transportation tools, the global shipment volume of power batteries used in NEVs is expected to increase from 1,969.2 GWh in 2026 to 4,386.1 GWh in 2030, representing a CAGR of 22.2%, according to Frost & Sullivan. In addition, benefiting from the robust demand for ESS, the global shipment volume of energy storage batteries is expected to increase from 851.9 GWh in 2026 to 1,704.3 GWh in 2030, representing a CAGR of 18.9%, according to the same source. These two major downstream industries provide fast-growing market opportunities for our business. This demand is influenced by numerous factors beyond our control, including government subsidies and regulations, consumer preferences, technological advancements in battery chemistry, including the emergence of solid-state batteries, the development of alternative energy systems, and general macroeconomic conditions that affect capital expenditure and consumer spending. Although demand has grown significantly in recent years, we cannot assure you that this trend will continue.

Similarly, demand for our electronic circuit copper foil products is heavily dependent on capital investment cycles in 5G/6G network deployment, data center construction, the adoption of AI technologies, as well as consumer electronics upgrade cycles, among others. Specifically, according to Frost & Sullivan, the global market size of network communication PCBs is expected to increase from RMB96.9 billion in 2026 to RMB135.3 billion in 2030, representing a CAGR of 8.7%, the global market size of automotive electronics PCBs is expected to grow from RMB74.1 billion in 2026 to RMB82.6 billion in 2030, representing a CAGR of 2.8%; and the global market size of AI and computing PCBs is expected to grow from RMB124.4 billion in 2026 to RMB458.4 billion in 2030, representing a CAGR of 38.6%. A slowdown in any of these key downstream markets, due to technological shifts, economic downturns, or decreased investment, could lead our customers to reduce, delay, or cancel orders, which would have a material adverse effect on our revenue, profitability, and overall financial condition.

Our collaborative business model, which involves co-designing products with key customers, further intensifies this exposure. This deep integration means that our production and revenue cycles are closely synchronized with our customers' product development and launch timelines. A delay or cancellation of a customer's major project would directly affect our business, financial condition and results of operations.

Further, our capacity expansion plans are based on forecasts of continued market growth. If demand in our target end-markets grows more slowly than anticipated, stagnates, or declines, we may face underutilization of our expanded production capacity. Overcapacity would lead to lower economies of scale, higher fixed costs per unit, reduced operational efficiency, and downward pressure on prices and margins, all of which could significantly and adversely affect our financial results.

Our business and financial performance are subject to cyclical and significant competitive pressures inherent in the electrolytic copper foil industry.

The electrolytic copper foil industry is characterized by intense competition and periodic fluctuations in supply and demand. During periods of rapid capacity expansion, the market can experience structural oversupply, leading to a decrease in our sales volume or heightened price competition or both, particularly in standard product segments, which exerts downward pressure on processing fees and profitability. Conversely, supply may tighten during phases of strong downstream demand or when capacity growth slows, potentially improving industry pricing dynamics. Our ability to maintain or improve profitability depends on successfully navigating these cycles. As of the Latest Practicable Date, we were in the market recovery stage of the economic cycle of the electrolytic copper foil industry with its high-end segments seeing robust growth, according to Frost & Sullivan. We expect that our industry will continue to prosperous in the next five years. See "Financial Information — Major Factors Affecting Our Results of Operations — Our financial performance is subject to cyclical change of the electrolytic copper foil industry."

We compete with numerous established domestic and international manufacturers on factors including price, technology, product quality, customer relationships, and production capacity. According to Frost & Sullivan, there was approximately 200 electrolytic copper foil manufacturers in China as of December 31, 2025, among which eight outperformed us in terms of sales volume in 2025. If we fail to compete effectively, through continuous technological advancement, cost management, or customer retention, our market share, pricing power, and operating results could be materially and adversely affected. Additionally, technological innovation is critical, any delays or failures in developing and commercializing next-generation products could undermine our competitiveness and result in significant sunk research and development costs.

Long-term industry dynamics are expected to drive consolidation. Our ability to identify, finance, and execute strategic opportunities in this environment is not assured. Any failure to participate effectively in industry consolidation could hinder our ability to achieve the scale, customer diversification, and operational synergies necessary to sustain a leading market position, which would adversely affect our long-term growth and profitability.

We have a high concentration of customers.

During the Track Record Period, we generated a substantial portion of our revenue from our major customers. Specifically, our five largest customers in each period during the Track Record Period accounted for 85.8%, 87.3%, 83.1% and 82.4% of our total revenue in the same periods, respectively, and our single largest customer in each period during the Track Record Period accounted for 48.5%, 62.2%, 58.8% and 54.9% of our total revenue in the same periods, respectively.

Our business model is characterized by strategic, long-term partnerships with leading industry players. This is a well-established norm in the electrolytic copper foil industry, where suppliers typically maintain close, stable cooperative relationships with major battery manufacturers and PCB producers. As such, deriving a significant portion of our revenue from a concentrated customer base reflects standard industry practice.

However, our reliance on these major customers subjects us to the concentration and counterparty risk from these customers. We cannot assure you that we will be able to maintain our relationships with our major customers in the future. Moreover, we cannot guarantee that our major customers will not have a change of business scope or business model or will continue to maintain their market position and reputation. Any material adverse change to the operation, financial performance or financial condition of our major customers may result in material adverse impact on their business with us. For example, if our major customers cease to purchase our products, there can be no assurance that we will be able to find new customers with similar level of demands on comparable commercial terms within a reasonable period of time, or at all. Should any of these occur, our business, financial condition, results of operations and profitability may be adversely affected. See "Business — Customers — Our Relationship with Customer A."

We had net cash outflows from operating activities in 2024, 2025 and the six months ended June 30, 2026. If we continue to have negative operating cash flows in the future, our liquidity and financial condition may be materially and adversely affected.

Our operating activities recorded net cash outflow of RMB715.4 million, RMB416.0 million and RMB934.7 million in 2024, 2025 and the six months ended June 30, 2026, respectively, while net cash inflow of RMB106.2 million in 2023. See "Financial Information — Liquidity and Capital Resources — Cash Flows."

Our ability to generate net operating cash inflows is affected by various factors, many of which are beyond our control, such as the ability to achieve sustainable profitability, carry on our business activities in an efficient manner, the ability to effectively manage payables and receivables for the purpose of liquidity, changes in general market conditions and the regulatory environment and competition in certain technology sectors in which we operate. Any adverse change in any of these factors, which may be out of our control, may create capital shortfall and could adversely affect our liquidity. We cannot guarantee that our cash from operating activities will improve, and there is no assurance that our operating activities will be able to generate net operating cash flow to satisfy our capital and liquidity needs at all times, or even at all.

Our profitability may be materially and adversely affected by intense price competition and our inability to maintain sustainable profit margins.

Our business operates within the highly competitive electrolytic copper foil industry. The products we produce, including high-performance lithium battery copper foil and electronic circuit copper foil, are essential components for lithium batteries and CCL/PCB, respectively. However, as these materials become increasingly commoditized within the supply chain, we face significant and persistent pricing pressure from competitors. This competition is intensified by potential cyclical oversupply and structural imbalances in the market, which may arise from large-scale capacity expansions by industry participants.

In response to this competitive landscape, we have strategically shifted our focus from pure scale expansion to enhancing operational efficiency and increasing the proportion of high-margin, high-performance products in our sales mix. There can be no assurance that our cost management measures will be sufficient to preserve our profit margins. Our ability to sustain profitability is contingent upon several factors, including our success in: (i) continuously improving production yields and operational efficiency to lower unit costs; (ii) successfully scaling and integrating cost-control systems across new

production lines; (iii) effectively executing our strategy to increase sales of premium, high-value-added products; and (iv) implementing timely pricing and cost adjustment measures in response to market fluctuations. Failure in any of these areas could prevent us from achieving the economies of scale and operational advantages necessary to offset competitive pricing pressures. Consequently, our profit margins could be compressed, and our overall profitability could be materially and adversely affected.

While we plan to continue investing in expanding our production capacity, particularly for high-performance products, and to further optimize our operations, these initiatives may be more costly or take longer to implement than currently anticipated. If our efforts to enhance profitability do not yield the expected benefits, or if they fail to keep pace with the intensity of market competition, our business sustainability could be negatively impacted. We cannot guarantee that our strategic initiatives will be successful or that we will be able to maintain or improve our profitability in the future.

Our success depends on our ability to successfully innovate and adapt to technological evolution in downstream markets. The outcome of our research and development activities are inherently uncertain, which could impair our product competitiveness and profitability.

Our market position as a solutions provider of electrolytic copper foil is fundamentally dependent on our research and development capabilities. Our failure to continuously innovate our products to meet the evolving technical requirements of downstream sectors could impair our competitiveness, market share, and profitability.

We operate in a dynamic, technology-driven environment where customer specifications are constantly advancing. To maintain our competitive edge and customer relationships, we must consistently upgrade and enhance our product portfolio, developing ultra-thin, high-strength, and high-elongation copper foils that meet increasingly stringent performance standards. If we fail to anticipate or respond effectively to key technological shifts, such as the industry-wide transition to 4.5μm or thinner lithium battery copper foils or the demand for ultra-low-loss foils for AI servers, we risk losing key customers, failing to secure new ones, and seeing our products become obsolete. Such a failure would materially and adversely affect our revenue, profitability, and reputation.

Our innovation strategy relies heavily on continuous investment and collaborative development. We have established strategic partnerships with leading downstream manufacturers to facilitate joint research and development programs. These technical dialogues and co-development initiatives are critical for staying abreast of technology trends and commercializing next-generation products. We have consistently invested significant resources in research and development, and we must continue to do so to maintain our innovative capabilities. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB53.8 million, RMB46.8 million, RMB49.4 million, RMB21.5 million and RMB36.3 million, respectively. There is no assurance that these expenses will not increase, which could pressure our short-term profitability and cash flow.

Further, the outcomes of our research and development activities are inherently uncertain. Our investments may not yield commercially viable products for several years, or at all. The returns on such investments may fail to meet expectations or even recover the costs incurred. A failure to translate research and development efforts into successful, marketable products could materially and adversely affect our business, financial condition, results of operations, and competitive position.

We are exposed to fluctuations in processing fees and other operational costs, which may have a material and adverse impact on our profitability.

Our electrolytic copper foil products are priced using a "copper price plus processing fee" model." Under this model, the benchmark copper price component is typically passed through to our customers, thereby largely insulating our gross profit from direct copper price volatility. Our profitability is therefore primarily determined by the processing fee, which covers our manufacturing and operational costs, and is subject to intense market competition and cyclicality.

While we have management measures in place to monitor and mitigate these risks, we remain exposed to significant factors beyond our control. Industry-wide overcapacity, shifts in downstream demand, and aggressive pricing strategies by competitors can lead to sustained declines in processing fees. Additionally, substantial increases in the costs of energy, labor, or other inputs may not be fully recoverable through pricing adjustments of our processing fee. See "Business — Pricing." As a result, we may still experience loss-making due to the levels of processing fees we are able to charge. High costs and operating expenses can also significantly increase our working capital requirements and associated financing costs, straining our cash flow. Any severe or prolonged pressure on processing fees, combined with an inability to control operational costs or manage working capital efficiently, could materially and adversely affect our business, financial condition, and results of operations.

Our business and growth are dependent on continued government support for the NEV and other critical technology sectors and are subject to changes in the regulatory environment.

We have derived, and expect to continue to derive, significant benefits from government policies in the PRC that promote the NEV and other critical technology sectors. Downstream, supportive policies for the NEV market, such as consumer purchase subsidies, tax incentives, and infrastructure funding, have directly stimulated market demand. Key historical examples include the Energy-saving and New Energy Automobile Industry Development Plan (2012-2020)(《節能與新能源汽車產業發展規劃(2012-2020年)》) and the Development Plan for New Energy Automobile Industry (2021-2035)(《新能源汽車產業發展規劃(2021-2035年)》). This policy-driven demand cascades upstream, generating increased and sustained demand for our products.

However, government policies are inherently subject to change due to macroeconomic conditions, budgetary constraints, or shifts in strategic priorities. Any material reduction, modification, or termination of these supportive measures, such as the planned phase-down of direct purchase subsidies, changes to tax benefits, or a re-allocation of public funding, could suppress overall market growth and demand for our products. Additionally, new legislation or changes in China's regulatory requirements concerning our end markets, including NEV, ESS, or consumer electronics, could impose new compliance costs, alter market access conditions, or otherwise impact the commercial landscape.

Our ability to mitigate the impact of such policy or regulatory changes may be limited. We may need to adapt our business focus in response, but we cannot guarantee we will be able to do so in a timely or efficient manner. Consequently, any adverse shift in the policy or regulatory environment that affects the NEV sector, or other critical technology markets, could lead to decreased demand for our products, intensified price competition, and increased operational challenges, which could materially and adversely affect our business, financial condition, and results of operations.

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.

We are required to obtain various licenses, permits, approvals or certificates or make the relevant filings for our operations, such as certificate of high-tech enterprise, consignor, consignee of import and export goods, pollutant discharge permit and various ISO management system certifications. Our

licenses, permits, approvals, certificates or filings may be subject to periodic renewal requirements and inspections by relevant government authorities. See "Business — Licenses, Permits and Certificates" for more details. If we fail to obtain any license, permits, approvals or certificates or fail to make the relevant filings required for our operations, or timely renew any major license, permit, certificate or approval for us, we may face penalties, suspension of operations or even revocation of operating licenses, depending on the nature of the incidents, any of which could materially and adversely affect our business, financial condition and results of operations.

Additionally, we are required to obtain or renew a series of licenses, permits, certificates or approvals or make the relevant filings for our new or existing production facilities, such as those in relation to environmental protection and fire safety, failure to comply with which may subject us to the corresponding administrative penalties, including suspension of operations under the worst-case scenario.

We have taken a series of precaution measures to prevent potential non-compliance incidents during our operations, including engaging qualified assessment agencies to evaluate the current status of certain projects and properties. We have also implemented and will amend our internal policies to ensure our compliance with applicable laws and regulations, and designate a specific team to be responsible for monitoring the implementation of the foregoing policies, to avoid similar non-compliance incidents in the future. However, we cannot assure you that we will not be subject to any fines, penalties, or other monetary or regulatory measures in the future if we fail to comply with these laws and regulations. In addition, we may be required to incur substantial costs to comply with current or future environmental, health, safety and construction related laws and regulations which are complex, change frequently and have tended to become more stringent. Failure to duly comply with the environmental, health, safety and construction laws and regulations may subject us to fines, warnings, or rectification orders imposed by the competent authorities.

The current tensions in international trade and rising political tensions may adversely impact our business, financial condition, and results of operations.

The global economic, political and social conditions are evolving rapidly and are subject to uncertainties. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases and instability in the financial system impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures may have a significant impact on our targeted countries and markets. Chinese companies may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these complicated regulations and measures and could face penalties for any violation, even if inadvertent.

Our customers' sales of products such as lithium batteries, PCBs or CCL may become subject to trade restrictions and tariffs, which could materially and adversely impact their sales volume and in turn their procurement from us for our products. For example, the U.S. had raised or adjusted tariffs on lithium batteries made in China for several times during the Track Record Period. There are also various sanctions and export controls related to the trade of advanced lithium batteries, there is no assurance that our downstream customers, including lithium batteries manufacturers, can continue to trade their lithium batteries with, or export their lithium batteries to, their targeted countries and market, which could have an adverse effect on their demand for our lithium battery copper foil and in turn materially and adversely affect our business, financial conditions and results of operations.

We have limited operating history, and we may face challenges in effectively managing the operational complexity and organizational demands of our rapid expansion, which could impair our business, financial condition, and results of operations.

While we commenced manufacturing operations in 2018 and have a demonstrated track record of successfully scaling production capacity, the core challenge lies not only in our ability to expand physically, but also in managing the increased operational complexity and organizational demands that come with such growth. Given our relatively high utilization rate of our manufacturing plant, if we cannot successfully execute our capacity expansion plans, we may fail to capture the market opportunities, which could materially affect our future business, results of operations and competitiveness. In addition, as we continue to execute our capacity expansion plans, we must simultaneously ensure: (i) the recruitment, training, and retention of a sufficient number of qualified technical personnel, production managers, and engineers to operate and maintain sophisticated new production lines at a high standard; (ii) the seamless integration of new facilities into our centralized management, quality control, and supply chain systems; (iii) the preservation of stringent product quality and consistency across all expanded and new production sites to meet our customers' exacting specifications; and (iv) the continued development and strengthening of our internal administrative infrastructure, financial controls, and corporate governance frameworks to support a larger, more geographically dispersed organization.

Failure to effectively manage these operational and organizational aspects of our expansion could lead to production inefficiencies, increased operational costs, quality control issues, or internal control weaknesses. This, in turn, could result in customer dissatisfaction, reduced profitability, or failure to fully realize the intended benefits of our growth strategy. While scaling our physical capacity is within our execution capability, managing the associated organizational growth and operational sophistication presents a significant challenge that, if not met, could have a material adverse effect on our business, financial condition, and results of operations.

We may be subject to complaints, claims, controversies, regulatory actions and legal proceedings, which could have a material adverse effect on our results of operations, financial condition, liquidity, cash flows and reputation.

We have been and may continue to be subject to or involved in or mentioned in various complaints, claims, controversies, regulatory actions, arbitrations and legal proceedings. During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

However, complaints, claims, arbitration, lawsuits, and litigations are subject to inherent uncertainties, and we are uncertain whether existing or new claims against us or which mention us would develop into lawsuits, damages or regulatory penalties and other disciplinary actions that may be material to our business in the future. Lawsuits, litigations, arbitration and regulatory actions may cause us to incur substantial costs or fines, utilize a significant portion of our resources and divert management's attention from our day-to-day operations, or materially modify or suspend our business operations, any of which could materially and adversely affect our financial condition, results of operations and business prospects. Responding to or defending litigations or other claims, disputes or complaints against us is costly and can impose a significant burden on our management and employees or negatively affect our reputation, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, there can be no assurance that we will be successful in the claims we

pursue against other parties. Any resulting liability, losses or expenses, or changes required to our businesses to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and prospects. The interpretation of PRC laws in different jurisdictions may be subject to change, and an adverse outcome of a single claim against us in one jurisdiction regarding our business practices may result in significant negative publicity and heightened scrutiny by regulators and courts of our business and operations across the country, or potential penalties or other regulatory actions against us. Any of such outcomes may cause significant disruptions to our operations and materially and adversely affect our results of operations and financial condition.

We may not be able to prevent the unauthorized use of our intellectual property rights by others, which could damage our business and competitive position.

We rely primarily on a combination of our patents, trade secrets, trademarks, the confidentiality agreements signed by the employees, and confidentiality agreements signed with third parties to protect our intellectual property rights. There is no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, as such applications are expensive and time consuming. See "Business — Intellectual Property" of this document for further details.

Unauthorized parties may obtain and use information that we regard as proprietary. Under such circumstances, to protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings against parties who we believe are infringing our intellectual property rights. Legal proceedings are often costly and may divert management attention and resources away from our business. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which case we are subject to additional risks, and we may encounter difficulties in protecting and defending such rights. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of intellectual property rights protection, which could make it difficult for us to stop the infringement of our patents in such countries.

We may be subject to intellectual property infringement claims and invalidation applications, which may be time-consuming and costly.

Our success is also subject to our ability to use, develop and protect our technology and trade secrets without infringing the intellectual property rights of third parties. Others may hold or obtain patents, copyrights, trademarks, or other proprietary rights used in our products and service. This might prevent, limit, or interfere with our production, use, development, sales, or marketing, and could therefore disturb our daily operations and distract our management. From time to time, we may receive communications from intellectual property rights holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may, in the PRC or other jurisdictions, bring suits alleging infringement of such rights or otherwise assert their rights and urge us to obtain licenses. We may also be subject to liability due to the misconduct of our employees in relation to third party intellectual property rights. Our use of trademarks relating to our design, software, and technology could be found to infringe upon existing intellectual property rights owned by others. In addition, if we are found to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following: (i) cease to sell products that are involved in the challenged intellectual property rights owned by others; (ii) pay damages to the rights holders or the customers who purchased our products; (iii) redesign our products; or (iv) establish and maintain alternative branding for our products.

The validity and scope of any potential claims/requests can be complicated and involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings or requests can be both costly and time-consuming and may significantly divert the efforts and resources of our management.

Our operations depend on a stable, timely and adequate supply of energy at commercially reasonable prices.

We depend on the supply of energy to maintain our production processes. Our production volume and production costs are affected by price and supply of energy. The price of energy is subject to various factors which may be beyond our control, including inflation, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for energy, and local and national regulatory requirements. Additionally, we cannot assure that unexpected and serious shortages of energy will not occur in the future or that we will be able to pass on almost all cost increases to our customers. Any possible changes in the power consumption policies, especially those leading to rising prices of energy could adversely affect our business, financial condition, results of operations and prospects. Significant fluctuations in such costs may have a material effect on our profitability if we are unable to adjust the price of our products accordingly and may also negatively affect our competitive advantage. If we are unable to pass increased costs onto our consumers, which will result in a decrease of our profit margins. Furthermore, if the supply of energy is affected by natural disasters, adverse weather conditions, suppliers' equipment failures, disruptions in transport or other inclement factors, we may not be able to locate alternative sources of supply and/(or) at acceptable prices. Any such events may have a material and adverse effect on our business, financial condition and results of operations.

Our failure to maintain an effective quality management system may result in a material adverse effect on our business, reputation, financial condition and results of operations.

Our product quality is critical to our success. The effectiveness of our quality management system, in turn, depends on a number of factors, including the design of the system, the machineries used, the quality of our staff and related training programs and our ability to ensure that our employees adhere to our quality management policies and guidelines. We are required to comply with specific guidelines based on product safety and restricted and hazardous materials laws and regulations that are applicable in the jurisdictions into which our customers sell their products. Our safety standards for the inspection of our products are also based on relevant national and industry standards. We cannot assure you that our quality management system will continue to be effective and in compliant with relevant laws and regulations and standards. Any significant failure in or deterioration of the efficacy of our quality management system could result in us losing accreditations and requisite certifications or qualifications, which could in turn have a material adverse effect on our business, financial condition and results of operations. For details of our quality management system, please see "Business — Quality Control" in this document.

Labor-related disruptions or cost increase, particularly during our phases of expansion, could adversely affect our business and financial performance.

While our production processes are capital-intensive and increasingly automated, we remain dependent on a skilled workforce for operations, maintenance, and management. During periods of expansion, such as when we commission new production lines or construct new manufacturing facilities, our reliance on labor intensifies significantly as we recruit, train, and integrate large numbers of new technical and operational personnel.

Any significant labor disruption, including strikes, work stoppages, or widespread employee dissatisfaction, could materially disrupt our production schedules, delay capacity ramp-ups, and harm our reputation with customers. Although we have not experienced material labor disputes in the past, we cannot assure you that such events will not occur in the future, especially as our workforce grows and diversifies. Additionally, competitive pressures for specialized talent in the advanced manufacturing sector, coupled with broader inflationary trends, could lead to sustained increases in labor costs. If such cost increases cannot be offset through productivity gains or passed on to customers due to competitive market conditions, our profit margins and financial results could be adversely affected.

Although our reliance on labor is moderated by automation, the risks associated with workforce management, particularly during phases of aggressive growth, remain a meaningful factor that could affect our operational stability and profitability.

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.

During the Track Record Period and up to the Latest Practicable Date, we established strategic research and development collaborations with our major customers such as globally leading battery manufacturers and automotive makers, as well as renowned universities and scientific institutions in China, which could expediate our research and development progress and strengthen our competitive edge through innovation. Please see "Business — Research and Development" in this document for further details. Our agreements in relation to these collaborations may require us to share relevant research and development results with these partners. There is no assurance that our relevant counterparties would not advertently or inadvertently misuse the results that we collaboratively form, or advertently or inadvertently misappropriate the results owned solely by us and that are incidentally shared during our collaboration with them. Our business, financial condition and results of operations may be adversely impacted if any of the aforementioned incidents happen.

We may not be able to successfully complete any further acquisitions or enhance post-acquisition performance, which could adversely affect our business prospects.

We may make acquisitions when appropriate opportunities arise in the future. However, acquisition targets may have unknown or contingent liabilities, including liabilities for failure to comply with evolving requirements or interpretations of relevant laws, regulations and rules. We cannot assure you that our due diligence conducted will uncover all material unknown or contingent liabilities or other negative developments, such as bankruptcy, insolvency, liquidation or dissolution, or that the acquisition targets will be viable. In particular, we are subject to the significant risks and uncertainties in connection with target valuation, integration of target's business and brands, and the anticipated benefits, synergies, cost savings, or efficiencies. We may also suffer reputational and financial harm for actual or alleged inferior service or harm that occurred at the acquisition targets prior to our acquisition and need to respond to claims initially as dissatisfied customers will likely pursue their claims against the acquisition targets and us. Moreover, we may suffer reputational and financial harm if the acquisition targets were subject to any administrative penalties prior to our acquisition.

Additionally, our ability to successfully consummate any future acquisitions is subject to various risks and uncertainties, including: (i) there are significant risks associated with the valuation of acquisition targets, and we may overvalue an acquisition or assume undisclosed liabilities, which could result in significant losses or impairment charges; (ii) we may fail to identify suitable acquisition targets or have to engage in intense competition for attractive acquisition targets, which may make it difficult to complete such acquisitions on commercially acceptable terms or at all; (iii) we may fail to obtain

sufficient financing on acceptable terms or at all, to fund such acquisitions; and (iv) we may fail to obtain or secure regulatory approvals and third-party consents necessary to consummate such acquisitions.

Even if we are able to consummate any acquisitions, our ability to grow our business through any future acquisitions remains subject to further risks and uncertainties which could materially and adversely affect our business, financial condition and results of operations, including that: (i) we may fail to successfully integrate the acquisition targets'operations, personnel, technologies, products, and brands with our existing business and operations, which may result in operational disruptions, loss of key personnel, or diminished brand value; (ii) we may fail to effectively manage a larger, growing business, operating in new geographic regions; and (iii) the acquired business may not provide us with the anticipated benefits, synergies, cost savings, or efficiencies we had projected.

If we suffer reputational or financial harm caused by unknown or contingent liabilities of the acquisition targets, or if we are unable to consummate acquisitions and successfully grow our business through any future acquisitions, our business and prospects could be adversely affected. Further, the process of pursuing and consummating acquisitions as well as integrating and managing acquired businesses, whether or not successful, could divert our resources and management attention from our existing business and impair our ability to successfully manage and grow our business organically.

We may be exposed to credit risk arising from our trade and bills receivables. Failure to collect our trade and bills receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

During the Track Record Period, our trade receivables primarily represented receivables due from our customers for sales of our copper foil products and our bills receivables represented primarily bank acceptance notes issued by our customers for the purchase of our copper foil products. As of December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our trade receivables amounted to RMB963.2 million, RMB1,335.5 million, RMB1,703.2 million and RMB1,104.3 million, respectively, and our bills receivables amounted to RMB238.4 million, RMB407.9 million, RMB220.5 million and RMB597.0 million, respectively. Our trade and bills receivables turnover days was 132.2 days, 165.9 days, 157.7 days and 96.0 days in 2023, 2024 and 2025 and the six months ended June 30, 2026. We cannot assure you that we will be able to collect all or any of our trade or bills receivables on time, or at all, and may be exposed to credit risk. In addition, we use pre-determined ECL rate to provide impairment for our trade and bills receivables. If any condition underlying our trade and bills receivables deteriorates, such as the failure to pay by our customers or the decline credit rating of the banks issuing the bills notes, we may have to make impairment accordingly. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables" for details regarding our trade and bills receivables. The occurrence of any of the foregoing event would materially and adversely affect our business, results of operations, financial condition and cash flow.

Our financial results may be affected by government grants and preferential tax treatment.

During the Track Record Period, government grants were important to our business operations, cash flows and results of operations. We recorded government grants of RMB57.1 million, RMB109.3 million, RMB62.0 million, RMB17.7 million and RMB39.7 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, in relation to additional VAT credit for manufacturing companies, electricity subsidies research and development projects, industrial subsidy, and fixed assets investments. Most of the government grants were given on a one-off basis and at the discretion of the local governments. Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the local government, such as the completion of the specified milestones of certain fixed assets investment. Additionally, the development focus of local

government may shift to other industries over time. In addition, our Company and a subsidiary qualified for "High and New Technology Enterprise" and enjoyed a preferential income tax rate of 15% during the Track Record Period. We also enjoyed the additional VAT credit for advanced manufacturing enterprise during the Track Record Period. We are not able to guarantee that we will receive any such government grants or preferential tax treatment in the future, or that such government grants we have already received will not be required to be returned. If we are unable to receive the government grants or preferential tax treatment in the future at the same level as we had during the Track Record Period, our financial conditions and results of operations for the period may be materially and adversely affected.

We face costs and potential liabilities associated with environmental, social and corporate governance compliance, which may affect our business and financial performance.

Our operations are subject to a broad range of environmental, health, safety, and social regulations in China. Compliance with existing and future regulations, including those related to emissions, wastewater discharge, workplace safety, and energy consumption, require ongoing capital and operational expenditures.

While we maintain policies and procedures designed to ensure compliance and have dedicated resources to manage these obligations, regulatory standards continue to evolve and may become more stringent over time. Changes in law, heightened enforcement, or the introduction of new ESG-related reporting or operational requirements could increase our compliance costs, necessitate significant unplanned capital investment, or result in fines, penalties, or operational restrictions if we fail to meet applicable standards. Additionally, **[REDACTED]** and public expectations regarding corporate ESG performance are rising. Failure to meet these evolving standards, or any negative perception of our ESG practices, even in the absence of a regulatory breach, could harm our reputation, affect relationships with customers, **[REDACTED]**, or regulators, and ultimately impact our financial condition and results of operations.

We are dependent upon our senior management team and highly qualified personnel with specialized skills, and our business, results of operations and financial condition may suffer if there are significant changes in our senior management team and highly qualified personnel.

We have been, and will continue to be, heavily dependent on the continued services of our senior management team. If we lose the services of any member of our senior management team and highly qualified personnel, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all, and our business, results of operations, financial condition and prospects could be materially and adversely affected. Our success also depends on our ability to attract and retain experienced and highly trained personnel. Nevertheless, competition to hire highly qualified personnel is intense and we cannot guarantee that we will be able to meet our staffing needs in the future. Any failure by us to hire or replace a sufficient number of skilled employees on a timely and effective basis could have negative repercussions on our business, financial condition, results of operations and prospects.

Our operations are exposed to financial harm from employee lawsuits, particularly concerning occupational safety. Our inability to effectively prevent occupational injuries could lead to prolonged litigation, substantial compensation payouts, and disruptions to our operations.

In the course of operations and production, we implement and require our employees to comply with safety measures and procedures as stipulated in our internal policies, including occupational safety and fire safety related procedures and protocols. There is no assurance that our safety measures and procedures are strictly followed by our employees. As our manufacturing process is complicated and inevitably involves operation of tools, equipment and machinery and use of chemical materials,

accidents resulting in employee injuries or even deaths may occur. In addition, our existing manufacturing protocols may not be sufficient to prevent all types of malfunctioning or above accidents, some of which may have never arisen and may not have been foreseen when the current protocols are created. Such accidents may result in disruption of our operation and subject us to liabilities, and we may not have adequate or sufficient insurance to cover such liabilities, which could then adversely affect our business, results of operations and financial condition.

If we fail to maintain adequate inventory, or if we mismanage our inventory, we could lose sales or incur high inventory-related expenses, which could negatively affect our financial condition and results of operations.

Our inventories primarily consist of high-purity electrolytic copper wire and foil. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our inventory balances amounted to RMB398.4 million, RMB421.2 million, RMB525.2 million and RMB874.1 million, respectively. Our inventory turnover days were 48.1 days, 48.1 days, 43.5 days and 40.5 days in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our business model requires us to manage our inventories efficiently.

We depend on our demand forecasts to make purchase decisions for raw materials and to pace our production progress to manage our inventories. Such demand, however, can change significantly from time to time and we may not always be able to accurately make predictions. Demand may be affected by general market conditions, end market conditions, new product launches, pricing and discounts, and not all of them are within our control. In addition, as we develop and market a new product, we may not be successful in establishing stable and favorable supplier relationships or accurately forecasting demand. The acquisition of raw materials may require significant lead time and prepayment, and they may not be returnable. Additionally, as we plan to continue expanding our product offerings, we expect to include a wider variety of raw materials and consumables, which will make it more challenging for us to manage our inventory and logistics effectively.

To address the inventory challenges, we employ a "copper price plus processing fee" pricing model, which serves as the primary mechanism within the industry to mitigate the risk of copper price fluctuations. Under this model, enterprises effectively pass on the price volatility risk of raw material copper to downstream customers. Additionally, we use advanced and efficient smart logistics system and ERP system to improve operation efficiency, precise management, and achieve optimal inventory turnover efficiency. See "Business — Warehousing, Logistics and Inventory Management" in this document for more details. However, we cannot assure you that our inventory management measures will be implemented effectively so that we will not have significant levels of obsolete or excessive inventory. As we plan to launch new projects or scale up existing projects to further increase our production capacity, we expect to include more materials in our inventories, which will make it more challenging for us to manage our inventories effectively. If we cannot effectively implement our inventory management in the future, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-offs. High inventory levels may also divert substantial capital resources, preventing us from using that capital for other purposes. Any of the above may adversely affect our financial position and results of operations.

We may be unable to execute expansion plans or identify expansion opportunities.

We strategically execute expansion plans and invest in expanding our manufacturing capacity based on market demand for our products, which on the one hand ensures we can timely fulfill customer orders, and on the other hand avoids excessive expenditure on facility expansion and inventory management.

To expand our production capabilities, we initiated construction projects in Sichuan Province in October 2025, and we have plans to further launch construction projects in overseas jurisdictions. However, we cannot guarantee that we could successfully execute our expansion plans or identify more expansion opportunities in the future, which is affected by many factors, including the macro-economy which affected the market demand for our products, and our ability to seek and provide sufficient financial resources for support.

Additionally, in accordance with the laws and regulations in the jurisdictions in which we operate, we are required to obtain and maintain various approvals, licenses, permits and certifications in order to operate our expansion projects. Complying with such laws and regulations may require substantial expense and may impose a significant burden, while any noncompliance may expose us to liability. There is no assurance that we are able to obtain the relevant governmental approvals, licenses or permits for such new projects. If we experience any delay in obtaining those approvals, licenses or permits, we may not be able to execute our expansion plans, which may materially affect our business, results of operations and financial condition.

We may need additional capital and may not be able to obtain it in a timely manner or under commercially acceptable terms, or at all.

We may require additional capital or cash resources in the future to fund our continued growth or other future developments, and we may be unable to raise additional funds on favorable or commercially acceptable terms, whether through equity or debt financing. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

If we do raise additional capital through public or private equity **[REDACTED]**, the ownership interest of our existing shareholders, including **[REDACTED]** in this **[REDACTED]**, will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations, and our liquidity and financial conditions may be materially and adversely affected.

Our insurance coverage may be inadequate to cover all significant risk exposures.

Our business is subject to a variety of operational risks, including but not limited to production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents, and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we may begin operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or

casualties, environmental damage, monetary loss, and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

During the Track Record Period, we maintained property insurance and employee insurance for our business operations. There is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

We may also be subject to lawsuits of product liability claims, product recalls, or redesign efforts, all of which would be time consuming and expensive. During the Track Record Period and up to the Latest Practicable Date, we were not covered under any product liability insurance policies, and we did not receive any material product liability claims. However, such insufficient insurance coverage could make us unable to satisfy future potential product liability claims. If any of our products are found to have reliability, quality or compatibility problems, we will be required to accept returns, provide replacements, provide refunds, or pay damages. Moreover, a product liability claim could generate substantial negative publicity about our products and business, therefore, inhibit or prevent the commercialization of our future products, which would materially and adversely affect our brand, business, prospects, and results of operations.

Additionally, we may be subject to risks associated with lithium batteries and electronic circuits and we may not have adequate insurance to cover such claims. The lithium batteries and the electronic circuits that our customers produce utilizing our electrolytic copper foils can cause damage on rare occasions. Accordingly, we face inherent risk of exposure to claims when our products malfunction resulting in property damage, personal injury, or death.

We employ an integrated quality management system and a full set of internal control policies to ensure safe manufacturing and delivery of our products. However, our products may still experience defects, which could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time-consuming and expensive. Product liability claims against us or our customers could require us to pay substantial monetary compensation.

Failure to pay the social insurance premium and housing provident funds for and on behalf of our employees in accordance with applicable laws and regulations of the PRC may subject us to penalties and have an adverse impact on our financial conditions and results of operations.

In accordance with the PRC Social Insurance Law (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) and other relevant laws and regulations, China has established a social insurance and housing provident fund system. Social insurance includes basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. An employer is required to make contributions to the statutory social insurance and housing fund for its employees in accordance with the rates provided under relevant regulations and withhold the contribution amounts to be paid by the employees themselves. Pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Furthermore, in light of the Article 19(1) of the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》)(the "**New Judicial Interpretation**"), promulgated on July 31, 2025, and effective as of September 1, 2025, if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or

undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People's Court shall support such claims, in which case, the employer remains liable for paying economic compensation (calculated as the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions. As advised by our PRC Legal Advisor, such court decision would not have a material adverse impact on our operations and financial performance. See "Regulatory Overview — Regulations on Labor" for details.

We have complied with the statutory social security insurance fund and housing fund obligations applicable to us under the laws and regulations in China in all material aspects during the Track Record Period and as of the Latest Practicable Date. During the Track Record Period, we had not made full contributions to the social insurance premium and housing provident fund based on the actual salary level of some of our employees as prescribed by relevant laws and regulations. See "Business — Compliance and Legal Proceedings — Compliance — Failure to make full contribution to the social insurance and housing provident funds."

In addition, we cannot assure you that the relevant government authorities will not impose new requirements on us according to laws, regulations or local policies published by the relevant government authorities in the future, such as ordering us to make supplemental social insurance and housing provident fund contributions, imposing late fees or fines on us or ordering us to take other measures, any of which may materially and adversely affect our business, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the PRC could prevent us from effectively serving our customers and thus adversely affect our results of operations.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, SARS, Ebola, Zika, COVID-19, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or critical logistics network breakdowns. The occurrence of such force majeure events in China or elsewhere in the world could materially disrupt our business and operations, for example, forcing the temporary closure or suspension of our production facilities, severely disrupting our production schedules and product delivery.

The effects of such force majeure events may concurrently cause production slowdowns or stoppages at our key customers or suppliers, leading directly to reduced or delayed orders and affecting our sales revenue. Consequently, any force majeure event that leads to operational disruption, decreased customer demand, or slowed industry growth may negatively affect our business, financial condition, and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Changes in the economic, political and legal conditions, as well as the interpretation and implementation of relevant laws, rules, regulations and governmental policies, may affect our business, prospects, results of operations, financial condition, and cash flow.

All of our operations are located in China. As a result, our results of operations, financial condition and prospects are substantially affected by economic, political, social and legal developments in the PRC. In general, the Chinese government regulates its economy and related industries through implementation of industrial policies and regulates the macro-economy of the PRC through fiscal and monetary policies. Over the last few decades, the Chinese government adopted a number of measures to

promote its market economy and encourage the corporate entities to establish sound corporate governance. The Chinese government also exercised a significant impact on China's economic growth through strategic resource allocation, control of foreign currency denominated debt payments, monetary policy and preferential treatment for specific industries or companies. Although China's economy has been growing significantly over the last few decades, the growth rate has slowed down as China suffered from the impact of the COVID-19 pandemic on its economy in 2020 and 2021, which is likely to continue in the future. Due to the current economic, political, social and regulatory developments, it may be difficult for us to predict all the risks and uncertainties we may face, and a slow-down of China's economy may reduce our customers' demand for our products and services, which could have a material adverse effect on our business and operating results. In addition, any significant changes in Chinese government's policies or China's laws could have a material impact on China's overall economic growth.

Adverse developments in China's economy or an economic slowdown in China may reduce the demand of our products and services and have a material and adverse effect on our business, financial condition, results of operations and prospects.

We conduct our business and generate substantially all of our revenue in China. As a result, economic developments in the PRC have a significant effect on our business, financial condition and results of operations, as well as our prospects. In recent years, China has been one of the world's fastest growing economies in terms of GDP growth. However, the COVID-19 outbreak has caused disruption to the global economy. The global economy may continue to deteriorate in the future and continue to have an adverse impact on the PRC's economy. Any significant slowdown in the PRC's economy could have a material adverse effect on our business and operations. In particular: (i) during a period of economic slowdown, there is a greater likelihood that more of our customers or contractual parties could become delinquent in respect of their obligations to us; (ii) we may not be able to raise additional capital on favorable terms, or at all; or (iii) trade and capital flows may further contract as a result of protectionist measures introduced in certain markets, which could cause a further slowdown in economies and materially and adversely affect our business and prospects.

In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the China's electrolytic copper foil industry and ultimately, the profitability of our business. Our labor and other costs may also increase due to pressure from inflation. Any future calamities, such as natural disasters, outbreak of contagious diseases or social unrest, may cause a decrease in the level of economic activities and adversely affect the economic growth in China, Asia and elsewhere in the world. As such, if China's economy experiences significant adverse developments or a significant downturn, our business, financial condition and results of operations would be materially and adversely affected.

Our sales and profitability depend significantly on general economic conditions and the demand for the end products in the markets in which our customers compete. Weaknesses in the economy and financial markets can lead to lower demand in our target product groups. Economic uncertainty affects businesses such as ours in several ways, making it difficult to accurately forecast and plan our future business activities. A decline in end-user demand can affect the demand of the customers for our products, and the tightening of credit in financial markets may lead consumers and businesses to postpone spending, either of which may cause our customers to cancel, decrease or delay their existing and future orders with us.

We may not accurately assess the impact of changing market and economic conditions on our business and operations. Any adverse changes in economic conditions, including any recession, economic slowdown or disruption of credit markets, may also lead to lower demand for our products. In addition, financial difficulties experienced by our suppliers or distributors could result in product delays,

increased accounts receivable defaults and inventory challenges. All these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity.

The enforcement of Chinese labor contract law, social insurance law and other labor related regulations may materially affect our business, financial condition and results of operations.

Pursuant to the Labor Contract law of the PRC and its implementation rules, employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, overtime working hours limitations, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate the employment of some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. As confirmed by our PRC Legal Advisor, based on the confirmation letters issued by the competent government authorities, we were not subject to any significant administrative penalties for violating labor laws and regulations during the Track Record Period. However, if we were found to be in violation with the overtime working hours limitations as stipulated in the relevant PRC labor laws and regulations, it may subject us to a fine that ranges from RMB100 to RMB500 per person from local government authorities and we may be requested to take rectification measures to reduce the overtime working hours of our production employees.

On October 28, 2010, the Standing Committee of the National People's Congress promulgated the Social Insurance Law of the PRC, which became effective on July 1, 2011, and was recently amended and effective on December 29, 2018. According to the Social Insurance Law, employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees.

As the interpretation and implementation of the Labor Contract Law, the Social Insurance Law and other labor related regulations (the "**labor-related laws and regulations**") are still evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Under the EIT law, we may not be classified as a "high and new-technology enterprise" of the PRC. Such classification could result in unfavorable tax consequences.

Pursuant to the EIT Law, a high and new-technology enterprise may enjoy a preferential enterprise income tax rate of 15%. We received approval by government authorities and had obtained the Certificate of High and New-Technology Enterprise with the validity period of three years since December 2019, which is renewable every three year.

Despite being eligible for the high and new-technology enterprise rate during the Track Record Period, there is no assurance that we would remain qualified as a high and new-technology enterprise so as to enjoy the high and new-technology enterprise tax rate after the expiry of the Certificate of High and New-Technology Enterprise, in which case we will be subject to the normal enterprise income tax rate of 25% as for all PRC enterprises. The effective tax rate will therefore significantly increase and may materially and adversely affect our profitability, which may have a material adverse effect on our

business, results of operations and financial condition. Also, there can be no assurance that the EIT Law, its application or its interpretation will not continue to change, in which case our effective income tax rate may increase significantly.

We are subject to the currency exchange regulatory system.

Conversion and remittance of foreign currencies are subject to the Chinese foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under the Chinese current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. The Chinese government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Our operations are subject to PRC tax laws and regulations.

We benefited from preferential tax treatment and government grants during the Track Record Period. The PRC EIT Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. However, the income tax of an enterprise that has been determined to be a high-technology enterprise can be reduced to a preferential rate of 15%. If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

Additionally, pursuant to applicable laws and regulations, we are also subject to various taxes such as value-added tax and withholding tax, and we are required to withhold and remit individual income tax for our employees. Any failure to properly pay the relevant taxes or withhold and remit the requisite amount may subject us to fines or administrative penalties. Any change, suspension or discontinuation of the aforementioned preferential tax treatment and financial subsidies to us or failure to fulfill the obligations under the relevant tax laws and regulations could adversely affect our financial condition, results of operations and cash flows.

Holders of H Shares may be subject to PRC incomes taxes.

Non-PRC resident individual holders of H Shares whose names appear on the register of members of H Shares ("**Non-PRC Resident Individual Holders**") are subject to the PRC individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348)(《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》)(國税函[2011]348號) dated June 28, 2011 and issued by the SAT of the PRC, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5.0% to 20.0%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation

regulations, Non-PRC Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. Based on our knowledge, as of the Latest Practicable Date, the PRC tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》)("**EIT Law**") and its implementation regulations, a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10.0% with respect to its PRC-sourced income, including dividends received from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under any special arrangement or applicable treaty between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897)(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10.0% from dividends payable to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the PRC tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-PRC resident enterprise holders' investments in H Shares may be materially and adversely affected.

There might be difficulties in effecting service of legal process, enforcing foreign judgment against us or our Directors and executive officers reside in the PRC.

Most of our Directors and executive officers reside within the PRC, and most of our assets and substantially all of the assets of those persons are located within the PRC. Due to the difference in legal systems, it may be difficult for investors to effect service of process and enforce foreign judgment against us or those persons within certain jurisdictions outside the PRC. Furthermore, the recognition and enforcement of a foreign judgement is subject to the satisfaction of certain conditions provided under the applicable PRC law, and the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, satisfying the conditions on the recognition and enforcement of a foreign judgement with the absent of treaties providing for the reciprocal recognition and enforcement in China or Hong Kong of judgments of a court obtained in the United States and any of the other jurisdictions mentioned above may be difficult, as the case in many other jurisdictions. Under the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》)(the "**Agreement**"), where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment.

On January 18, 2019, the PRC Supreme Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》)(the "**PRC-HK 2019 Arrangement**"), which extends the scope of judicial assistance available for civil and commercial matters and discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The Arrangement was superseded upon the effectiveness of the PRC-HK 2019 Arrangement on January 29, 2024.

Under the PRC-HK 2019 Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the PRC-HK 2019 Arrangement. Although the PRC-HK 2019 Arrangement has been signed, the outcome and effectiveness of any action brought under the PRC-HK 2019 Arrangement will be subject to the PRC courts further adjudication in accordance with PRC laws, including the PRC civil procedure law.

The evolving PRC legal system could have a material and adverse effect on our business and operations.

China's regulatory regime for the electrolytic copper foil industry is developing, which may affect the way we operate our business. The current applicable laws and regulations may be amended or replaced to implement additional supervision and management requirements. Additionally, the laws and regulations may also be subject to further interpretation and enforcement, which could require us to obtain additional licenses, permits or approvals, our operating costs and expenses could be significantly increased, or even result in the invalidation of our existing licenses, permits or approvals. Moreover, our business operations and future expansion could be materially and adversely affected by governmental policies, which may be subject to further amendments and changes. If we are found to be non-compliant with any of the applicable rules, laws, or regulations, we may face administrative penalties, including suspension of operations and even revocation of operating licenses, depending on the nature of the findings, any of which could materially and adversely affect our business results of operations and financial condition.

We are subject to filing and other requirements from the CSRC or other PRC government authorities in connection with any future capital raising activities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)(the "**Trial Administrative Measures**") and relevant supporting guidelines, which came into effect on March 31, 2023. The Trial Administrative Measures have comprehensively improved and reformed the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Any such domestic company that is deemed to conduct overseas offering and listing activities shall file with the CSRC in accordance with the Trial Administrative Measures.

We are subject to filing requirements for any of our future **[REDACTED]** after the **[REDACTED]**. We cannot assure you that we will be able to get clearance of our filing procedures under the Trial Administrative Measures on a timely basis, or at all. Any failure on our part to fully comply with such regulatory requirements may significantly limit or completely hinder our ability to sell our securities to **[REDACTED]**, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

RISKS RELATING TO THE [REDACTED]

There has been no [REDACTED] for our H Shares and an active trading market for our H Shares may not develop.

There was no public market for our H Shares prior to the **[REDACTED]**. There can be no guarantee that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is expected to be fixed by agreement between the **[REDACTED]** (for itself and on behalf of the **[REDACTED]** and the **[REDACTED]**) and us, which may not be indicative of the **[REDACTED]** of our H Shares following the completion of the **[REDACTED]**. If an **[REDACTED]** for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of our H Shares may be materially and adversely affected.

The market price and trading volume of our H Shares may be volatile, which could results in substantial losses for [REDACTED] who purchase our H Shares in the [REDACTED].

The price at which our H Shares will trade after the **[REDACTED]** will be determined by the marketplace, which may be affected by various factors beyond our control, including: (i) our financial performance; (ii) unexpected business interruptions resulting from natural disasters or power shortages; (iii) major changes in our key personnel or senior management; (iv) our ability to compete effectively in the market; (v) an assessment on the prospects for, and timing of, our future revenue and cost structures that independent research analysts may publish, if any; (vi) the present state of our development; (vii) the valuation of publicly traded companies that are engaged in business activities similar to ours; (viii) general market sentiment regarding the industry we operate in; (ix) changes in laws and regulations of China; (x) political, economic, financial and social conditions; and (xi) changes in securities analysts' estimates, if any, of our financial performance.

In addition, the Hong Kong Stock Exchange has from time-to-time experienced significant volatility in trading prices and volumes that have affected the market prices of securities of companies quoted on the Hong Kong Stock Exchange. As a result, investors in our H Shares may experience volatility in the market price of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

Purchasers of our H Shares may experience immediate and substantial dilution and may experience further dilution if we issue additional shares or other equity securities in the future.

The **[REDACTED]** of our H Shares may be higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** net tangible asset value. In order to expand our business, we may consider **[REDACTED]** additional Shares in the future. **[REDACTED]** of our H Shares may experience dilution in the net tangible asset value per share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to the share incentive schemes, which would further dilute Shareholders' interests in our Company.

Any possible [REDACTED] of our non-H Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

All of our non-H Shares may be converted into H Shares and such converted Shares may be **[REDACTED]** or **[REDACTED]** Hong Kong Stock Exchange. Any **[REDACTED]** of the **[REDACTED]** Shares on Hong Kong Stock Exchange shall comply with its regulatory procedures, rules and requirements. However, the PRC Company Law provides that in relation to the **[REDACTED]** of a company, the shares of that company

which are issued prior to the **[REDACTED]** shall not be transferred within one year from the date of the **[REDACTED]**. Therefore, upon the completion of the relevant filing procedure, our non-H Shares may be traded, after the conversion and subject to transfer restrictions under applicable laws and regulations, in the form of H Shares on the Stock Exchange after one year of the **[REDACTED]**, which could further increase the supply of our H Shares in the market and could negatively impact the **[REDACTED]** our H Shares.

We cannot guarantee the accuracy of facts, forecasts and other statistics relating to the electrolytic copper foil industry contained in this document.

Certain facts, forecasts and statistics contained in this document relating to the electrolytic copper foil industry have been derived from government publications, market data providers and other independent third-party sources. We have taken reasonable care in the reproduction or extraction of the government publications, market data providers and other independent third-party sources for the purpose of disclosure in this document. However, the information from the government publications have not been prepared or independently verified by us, the Sole Sponsor, the **[REDACTED]** or any of our or their respective affiliates or advisors and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics, which may not be consistent with other information compiled inside or outside the PRC. The facts and other statistics include the facts and statistics included in the sections headed "Risk Factors," "Business" and "Financial Information". Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the **[REDACTED]** from the **[REDACTED]** in ways you may not agree with or that do not yield a favorable return to our Shareholders. We plan to use the **[REDACTED]** from the **[REDACTED]** for purposes including the construction of new manufacturing plant and the future research and development projects. See "Future Plans and **[REDACTED]**" of this document for more details. However, our management will have discretion as to the actual application of our **[REDACTED]**. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the **[REDACTED]** from the **[REDACTED]**.

We may not distribute dividends.

We paid dividends of RMB11.6 million, nil, nil and nil in 2023, 2024 and 2025 and the six moths ended June 30, 2026, respectively. Our dividends may be paid out of distributable profits under our Articles of Association. Distributable profits mean our net profits for a period, plus the distributable profits or net of the accumulated losses, if any, at the beginning of such period, less statutory reserve fund appropriations to general risk reserve, transaction risk reserve, and discretionary surplus reserve (as approved by our shareholders' meeting). As a result, we may not have sufficient profit to enable us to make future dividend distributions to our shareholders, even if our financial statements prepared in accordance with IFRSs indicate that our operations have been profitable.

Additionally, future dividend policies will also depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, and other factors that our Board considers relevant. We cannot assure you that our dividend policies will not be changed in the future.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward- looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read this entire document carefully and should not consider or rely on any particular statement in published media reports without carefully considering the risks and other information contained in this document.

Prior to the publication of this document, there had been press and media coverage regarding us and the **[REDACTED]**, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, **[REDACTED]** are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, our Company has sought the following waivers from strict compliance with the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by the Stock Exchange in its discretion.

Since our Group's headquarters and our principal business operations are based, managed and conducted in the PRC, all of our executive Directors and senior management members spend the majority of their time supervising our Group's principal business operations in the PRC and do not ordinarily reside in Hong Kong. Given that (i) our Group's principal business and operations are located, managed and conducted in the PRC through our PRC operating subsidiaries; (ii) none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong; and (iii) our executive Directors will continue to be based in the PRC after the **[REDACTED]** to manage our business, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has agreed to grant], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. The following arrangements have been made for maintaining regular and effective communication with the Stock Exchange:

(i) we have appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two appointed authorized representatives are Mr. Li Xianyang, our Chairman, executive Director and General Manager, and Ms. Ye Jiahong (葉嘉紅), one of our joint company secretaries. Ms. Ye Jiahong is situated and based in Hong Kong, and will be available to meet the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. In addition, the contact details of the two authorized representatives (including the office and mobile phone numbers, email addresses, correspondence address and facsimile numbers (if available)) have been provided to the Stock Exchange. Accordingly, each of the two authorized representatives of our Company will be readily contactable by the Stock Exchange by telephone and/or email to deal promptly with enquiries from the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any changes in the authorized representatives and/or their contact details. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange;

(ii) each of the two authorized representatives of our Company has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times when the Stock Exchange wishes to contact the Directors for any matters. Each of the Directors (including the independent non-executive Directors) has provided his/her contact details (including their respective office and mobile phone numbers, email addresses and facsimile numbers (if available)) to the authorized representatives and the Stock Exchange pursuant to Rule 3.20 of the Listing Rules. Our authorized representatives have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters (including means to communicate with the Directors when they are travelling). Each of our Directors either possesses, or can apply for, valid travel documents to visit Hong Kong in order to meet with the Stock Exchange within a reasonable period upon the Stock Exchange's request. In addition, the Directors will provide valid phone numbers or

means of communication to the authorized representatives in the event that they expect to travel and/or be out of office, and make themselves readily contactable by the authorized representatives;

(iii) our Company has, in accordance with Rule 3A.19 of the Listing Rules, also appointed Innovax Capital Limited as our compliance advisor upon the **[REDACTED]**, who will act as an additional channel of communication with the Stock Exchange. The compliance advisor will advise on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the **[REDACTED]** at least until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year after the **[REDACTED]**. Our Company will inform the Stock Exchange promptly of any changes of our compliance advisor. The compliance advisor will also be available to respond to enquiries from the Stock Exchange. We will ensure that the compliance advisor has prompt access to our Company's authorized representatives and Directors who will provide to the compliance advisor such information and assistance as the compliance advisor may need or may reasonably request in connection with the performance of the compliance advisor's duties;

(iv) our Company will appoint other professional advisors (including legal advisors and accountants) to advise our Company on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**;

(v) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives, our compliance advisor, the company secretary, or directly with our Directors within a reasonable time frame; and

(vi) our Company has designated a senior staff member as the main contact person at our headquarters after the **[REDACTED]** who will be responsible for maintaining day-to-day communication with Ms. Ye Jiahong and our Company's professional advisors in Hong Kong, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our Board to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 and Rule 8.17 of the Listing Rules, we must appoint an individual as the company secretary of our Company who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(i) a member of The Hong Kong Chartered Governance Institute;

(ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

Pursuant to paragraphs 12 and 13 of Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rule 3.28 and Rule 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(i) whether the issuer has principal business activities primarily outside Hong Kong;

(ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Chapter 3.10 of the Guide) nor Relevant Experience (as defined under Chapter 3.10 of the Guide) as a company secretary; and

(iii) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Gu You (顧游) ("**Mr. Gu**"), our financial director and the secretary of the Board, as one of our joint company secretaries. Mr. Gu has extensive experience in financial and corporate management and is familiar with our internal administration procedures and day-to-day affairs but presently does not possess any of the qualifications under Rule 3.28 and Rule 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Ye Jiahong (葉嘉紅) ("**Ms. Ye**"), who is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute in the United Kingdom, and meets the requirements stipulated under Rule 3.28 and Rule 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Gu for an initial period of three years from the **[REDACTED]** to enable Mr. Gu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rule 3.28 and Rule 8.17 of the Listing Rules. Apart from discharging her functions in her role as one of the joint company secretaries of our Company, Ms. Ye will work closely and assist Mr. Gu in enabling him to acquire the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. In

addition, Mr. Gu will attend relevant professional training during each financial year as required under Rule 3.29 of the Listing Rules. See "Directors and Senior Management" for further biographical details of Mr. Gu and Ms. Ye.

Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules. Pursuant to Chapter 3.10 of the Guide issued by the Stock Exchange, the waiver is granted on following conditions:

(i) Mr. Gu must be assisted by Ms. Ye, who possesses all the requisite qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period. Ms. Ye will work closely with Mr. Gu to jointly discharge duties and responsibilities as joint company secretaries and assist Mr. Gu to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules. In addition, we will ensure Mr. Gu has access to relevant training and support to familiarize himself with the Listing Rules and the duties required for a company secretary of a company listed on the Stock Exchange; and

(ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

The waiver is valid for an initial period of three years from the **[REDACTED]** (the "**Initial Waiver Period**"). Before the end of the Initial Waiver Period, the qualifications and experience of Mr. Gu and the need for on-going assistance of Ms. Ye will be further evaluated by our Company. We must demonstrate and seek the Stock Exchange's confirmation that Mr. Gu, having had the benefit of Ms. Ye's assistance during the Initial Waiver Period, has attained the relevant experience under note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of the company secretary so that a further waiver would not be necessary.

[REDACTED]

[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
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Mr. Xie Changjiang (謝長江)	No. 80, Group 2, Haitian Village Shiyan Town, Changshou District Chongqing, PRC	Chinese
Mr. Tang Haifeng (唐海峰)	Room 403, Building 39 Yangguang Jiari Xinyuan No. 121 Zhujiang Road Huqiu District, Suzhou Jiangsu, PRC	Chinese
Mr. Xu Hongbiao (徐紅彪)	Xuwu, Tongxin Village Chijiang Town, Dayu County Ganzhou, Jiangxi, PRC	Chinese
Non-executive Directors		
Mr. Li Siyang (李思洋)	Room 204, Building 6 Sunshine Coast Garden Zone 6 No. 182 Changping Road Longhu District, Shantou Guangdong, PRC	Chinese
Independent non-executive Directors		
Dr. Wang Jinlan (汪金蘭)	Room 603, Building 160 No. 3 Feixi Road, Shushan District Hefei, Anhui, PRC	Chinese
Dr. Zhang Jiafeng (張佳峰)	Room 214, Unit 7, Building 10 Yangguang Yibai Xincheng Second District Yuelu District, Changsha Hunan, PRC	Chinese
Mr. Zhang Wei (張維)	Flat M4, 4/F, Block M Hing Wah Mansion 1 Babington Path Sai Ying Pun, Hong Kong	Chinese (Hong Kong)
Dr. Huang Hao (黃昊)	Flat 9A, 9/F, Block 4 HKUST Senior Staff Quarter 1 University Road Sai Kung, New Territory Hong Kong	Chinese (Hong Kong)

For the biographies and other relevant information of our Directors, see "Directors and Senior Management" in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**Sinolink Securities (Hong Kong) Company Limited** Unit 3501-08, 35/F Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong
[REDACTED]	**[REDACTED]**
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	[REDACTED]
Legal advisors to our Company	As to Hong Kong law: **Eric Chow & Co. in Association with Commerce & Finance Law Offices** 3401, Alexandra House 18 Chater Road, Central Hong Kong As to PRC law: **DeHeng Law Offices** 12/F Tower B, Focus Place 19 Finance Street Beijing, PRC
Legal advisors to the Sole Sponsor and the [REDACTED]	As to Hong Kong and U.S. laws: **Sullivan & Cromwell (Hong Kong) LLP** 20/F, Alexandra House 18 Chater Road, Central Hong Kong As to PRC law: **Fangda Partners** 9/F, Tower One, Kerry Plaza 1 Zhong Xin Si Road Shenzhen, China

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and reporting accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Jing'an District Shanghai PRC
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

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Principal Place of Business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.jxtongbo.com** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Gu You**(顧游) Room 101, No. 37, 69 lane Shangpu Road, Pudong New District Shanghai, PRC **Ms. Ye Jiahong**(葉嘉紅) *(ACG and HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Mr. Li Xianyang**(李銜洋) Room 604, Building 27 Jinbi Village East Area Zhuchi Street, Longhu District Shantou City, Guangdong PRC **Ms. Ye Jiahong**(葉嘉紅) *(ACG and HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

CORPORATE INFORMATION

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Remuneration Committee	Dr. Zhang Jiafeng (張佳峰) *(Chairman)* Mr. Zhang Wei (張維) Mr. Xie Changjiang (謝長江)
Nomination Committee	Dr. Wang Jinlan (汪金蘭) *(Chairman)* Dr. Zhang Jiafeng (張佳峰) Mr. Li Siyang (李思洋)
Strategy Committee	Mr. Li Xianyang (李銜洋) *(Chairman)* Mr. Li Siyang (李思洋) Dr. Zhang Jiafeng (張佳峰)
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[REDACTED]	**[REDACTED]**
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The information contained in this section, unless otherwise indicated, has been derived from various official government publications and other publications and the market research report prepared by Frost & Sullivan which we commissioned (the "F&S Report"). We engaged Frost & Sullivan for preparing the F&S Report in respect of the ***[REDACTED]****. We have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. We have not, nor have any of the Sole Sponsor,* ***[REDACTED]****, or any of their respective directors, officers or representatives or any other parties involved in the* ***[REDACTED]****, independently verified the information in the various official government publications nor give any representation as to the accuracy or completeness of such information. As of the Latest Practicable Date, our Directors confirm that, after taking reasonable care, there has been no material adverse change in the market information presented in this section.*

Analysis of Global and China's Electrolytic Copper Foil Industry

Electrolytic copper foil is an advanced material composed predominantly of copper, serving as a critical supporting component in the new energy and electronic information industries. Currently, electrolytic copper foil can be categorized into two main types based on downstream applications: lithium battery copper foil and electronic circuit copper foil. These function respectively as the anode for lithium-ion batteries and the conductive substrate for printed circuit boards (PCBs).

Overview of the Lithium Battery Market

Lithium batteries, as an efficient and rechargeable energy storage device, serve as a core foundation supporting the energy transition in electric transportation, new power systems, and other fields. Based on application scenarios, lithium batteries can be mainly categorized into three types: power batteries, energy storage batteries, and consumer electronics batteries.

The global trend toward vehicle electrification and the growing demand for energy storage have driven significant growth in the lithium battery market. In 2021, the total global shipment volume of lithium batteries was 536.1 GWh, which increased to 2,278.9 GWh by 2025, representing a CAGR of 43.6%. Power batteries accounted for the largest share, representing 65.7% of the lithium battery market in 2025. Energy storage batteries experienced the fastest growth, with a CAGR of 100.3% from 2021 to 2025. By 2030, the total global shipment of lithium batteries is expected to reach 6,420.2 GWh, growing at a CAGR of 21.0% from 2026 to 2030.

As the core component supporting the electrification of transportation tools, the shipment volume of power batteries is expected to increase from 1,969.2 GWh in 2026 to 4,386.1 GWh in 2030, with a CAGR of 22.2%, continuing to dominate the lithium battery market. In the future, the rapid development of emerging industries such as drones, eVTOL, and embodied robotics, along with the accelerated electrification of transportation vehicles including construction machinery, agricultural equipment, and ships, will bring new growth momentum to the power battery sector. Benefiting from the continuing advancement of renewable energy, coupled with the robust demand for ESS, the shipment volume of energy storage batteries is projected to rise from 851.9 GWh in 2026 to 1,704.3 GWh in 2030, with a CAGR of 18.9%. The growth of consumer electronics batteries is primarily driven by AI technology, with shipments expected to increase from 177.3 GWh in 2026 to 329.8 GWh in 2030, achieving a CAGR of 16.8%.

As the world's largest lithium battery market, China accounted for 63.2% of global shipments in 2025, with total lithium battery shipment volume grew from 261.3 GWh in 2021 to 1,441.1 GWh in 2025, representing a CAGR of 53.2%. Power batteries held the largest share, representing 78.7% of China's lithium battery market in 2025. Energy storage batteries experienced the fastest growth in shipments, with a CAGR of 141.4% from 2021 to 2025. Benefiting from sustained growth in vehicle electrification and energy storage demand, China's total lithium battery shipments are expected to reach 3,874.0 GWh by 2030, growing at a CAGR of 21.8% from 2026 to 2030.

The shipment growth of power batteries benefits from China's leadership position in global new energy vehicles industry. Shipment volume of power batteries is projected to increase from 1,369.0 GWh in 2026 to 3,060.4 GWh in 2030, with a CAGR of 22.3%. Driven by the domestic demand for construction of new power systems, energy storage batteries will continue to be the fastest-growing segment. The shipments are expected to rise from 328.3 GWh in 2026 to 687.8 GWh in 2030, achieving a CAGR of 20.3%. Supported by the upgrading of China's consumer electronics industry and the penetration of AI devices, consumer electronics battery shipments are forecasted to grow from 65.2 GWh in 2026 to 125.8 GWh in 2030, representing a CAGR of 17.9%.

Overview of the Printed Circuit Board (PCB) Market

As a core material in the electronics industry, printed circuit board (PCB) supports the development of electronic products toward higher performance, miniaturization, and intelligence. By downstream application scenarios, its downstream applications can be broadly categorized into five types: AI and high-performance computing application, 5G/6G network communication, automotive electronics, consumer electronics, and other application.

Driven by downstream demands such as development of AI and vehicle electrification, and consumer electronics iteration, the global PCB market has maintained a growth trajectory from 2021 to 2030. In 2021, the global PCB market was valued at RMB547.7 billion, increasing to RMB598.5 billion by 2025, with a CAGR of 2.2%. Consumer electronics PCBs accounted for the largest share, representing 45.1% of the PCB market in 2025. PCBs for AI and computing applications experienced the fastest growth, with a CAGR of 40.6% from 2021 to 2025. By 2030, the global PCB market is expected to reach RMB1,088.0 billion, growing at a CAGR of 12.2% from 2026 to 2030.

The AI and computing PCB market will continue to benefit from the expansion of AI computing power. Its market size is projected to grow from RMB124.4 billion in 2026 to RMB458.4 billion by 2030, with a CAGR of 38.6%. The growth of the network communication PCB market is primarily driven by 5G network construction and communication equipment upgrades. The market size is projected to increase from RMB 96.9 billion in 2026 to RMB 135.3 billion by 2030, representing a CAGR of 8.7%. Automotive electronics PCBs benefit from the continued release of demand for PCBs related to intelligent driving from new energy vehicles. The market size is projected to grow from RMB 74.1 billion in 2026 to RMB 82.6 billion in 2030, representing a CAGR of 2.8%. As the largest segment, consumer electronics PCBs mainly support the upgrade needs of smartphones, wearable devices, and other terminals. The market size is projected to grow from RMB 291.3 billion in 2026 to RMB 316.9 billion in 2030, representing a CAGR of 2.1%. Other application PCBs, including those used in medical, industrial control, and aerospace fields, are projected to grow from RMB 99.0 billion in 2026 to RMB 94.7 billion in 2030, representing a CAGR of -1.1%.

As the world's largest PCB market, China accounted for 54.3% of the global market size in 2025. The Chinese PCB market grew from RMB297.0 billion in 2021 to RMB325.2 billion in 2025, with a CAGR of 2.3%. Consumer electronics PCBs held the largest share, representing 37.2% of the PCB market in 2025. PCBs for AI and computing applications experienced the fastest growth, achieving a CAGR of 31.8% from 2021 to 2025. By 2030, the Chinese PCB market is expected to reach RMB492.6 billion, growing at a CAGR of 8.3% from 2026 to 2030.

The market size of AI and computing application PCBs is projected to grow from RMB54.1 billion in 2026 to RMB157.2 billion by 2030, with a CAGR of 30.6%, making it the fastest-growing core market. The automotive electronics PCB market, benefiting from the localization of new energy vehicles production, is expected to grow from RMB 54.0 billion in 2026 to RMB 59.5 billion in 2030, representing a CAGR of 2.5%. As the largest segment by current size, the consumer electronics PCB market is projected to grow from RMB 135.0 billion in 2026 to RMB 148.0 billion in 2030, with a CAGR of 2.3%. The market size of other application PCBs is projected to grow from RMB 67.9 billion in 2026 to RMB 76.5 billion in 2030, representing a CAGR of 3.0%.

Electrolytic Copper Foil Market Overview

Electrolytic copper foil is a metal foil material produced by electrolyzing a copper sulfate solution to deposit copper ions on the cathode. The original foil undergoes a series of surface treatments to enhance its performance based on specific application scenarios, and is ultimately slit into finished products. It serves as an indispensable key foundational material in fields such as new energy lithium batteries and the electronic information industry. Based on the core performance requirements of downstream application scenarios, electrolytic copper foil is mainly classified into two categories: lithium battery (LIB) copper foil and electronic circuit copper foil. By thickness, LIB copper foil can be divided into extreme ultra-thin foil (<6μm) and ultra-thin foil (6-10μm); Furthermore, tensile strength and elongation are critical physical indicators for lithium battery copper foil, reflecting its resistance to fracture and deformability. High strength coupled with good ductility ensures that downstream products are less prone to breakage during both manufacturing and use. Electronic circuit copper foil can be categorized into thin foil (10-18μm), conventional foil (>18-70μm), and thick foil (>70μm). The lower surface roughness of electronic circuit copper foil enables smoother current flow across the copper surface, reducing scattering and reflection, thereby lowering signal transmission loss.

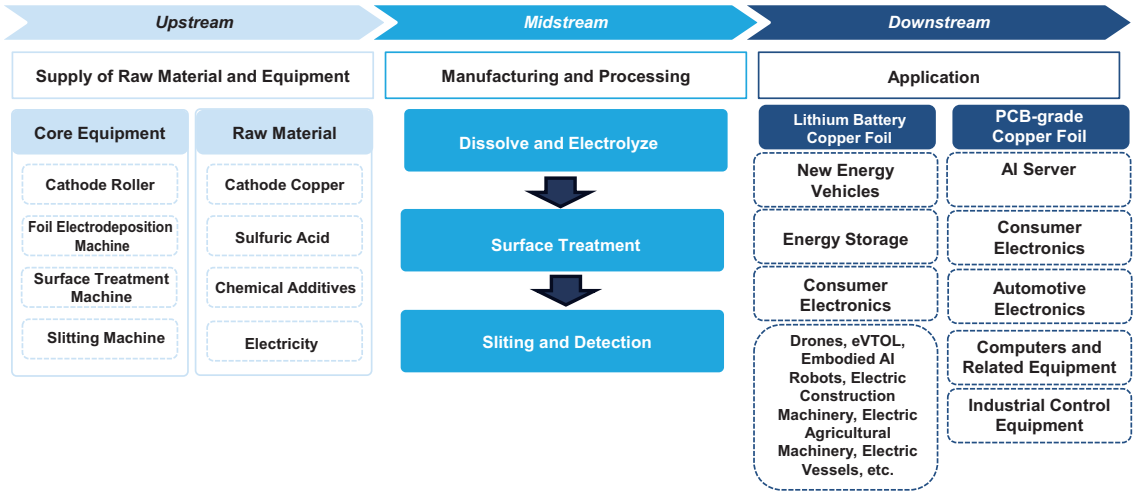
High-performance LIB copper foil generally refers to products that meet at least one of the following criteria: thickness <6μm, tensile strength ≥400MPa, or elongation ≥10%. The reduction in thickness of lithium battery copper foil decreases the weight and volume proportion of the current collector within the battery cell, thereby creating more storage space for active materials and effectively enhancing the energy density of the cell. This advancement expands application scenarios requiring extended range and lightweight design. Furthermore, improvements in physical properties such as tensile strength and elongation contribute significantly to production and performance. On one hand, they mitigate the risk of wrinkling during the coating process of battery electrodes, reduce the likelihood of tape breakage in manufacturing, and enhance both production efficiency and yield. On the other hand, superior tensile strength strengthens the electrode's resistance to deformation during charge-discharge cycles, while excellent elongation minimizes the risk of electrode fracture over repeated cycling. Together, these attributes contribute to extended battery cycle life and improved safety performance.

High-performance PCB copper foil generally refers to products, which feature ultra-low surface roughness, high peel strength and excellent high-frequency signal transmission performance, such as RTF and HVLP. The reduction in copper foil surface roughness and profile minimizes signal transmission loss at high frequencies, thereby improving signal integrity and enabling reliable high-speed data transmission. Carrier copper foil is a also a high-performance PCB copper foil product, which enables the fabrication of ultra-fine circuits and high-density interconnections in advanced PCBs. These products are primarily used in high-end applications such as AI servers, high-speed networking equipment, 5G/6G communications and advanced IC substrates.

The industrial chain of electrolytic copper foil mainly consists of three segments: upstream (supply of raw materials and equipment), midstream (manufacturing and processing), and downstream (application fields). The upstream segment focuses on core equipment and raw materials, including cathode rollers, foil electrodeposition machine, surface treatment machines, slitting machines, as well as cathode copper, sulfuric acid, chemical additives, and electricity. These elements determine the quality

of downstream electrolytic copper foil. The midstream segment involves foil manufacturing and processing, covering the dissolution of cathode copper into a copper sulfate solution, electrolysis, differentiated treatments based on downstream applications (such as anti-oxidation and roughening), as well as slitting and quality inspection. The downstream segment includes two major application areas: LIB copper foil and PCB-grade copper foil. Both terminal application markets exhibit diversified characteristics and potential for rapid cross-industry growth.

Industrial Chain of Electrolytic Copper Foil



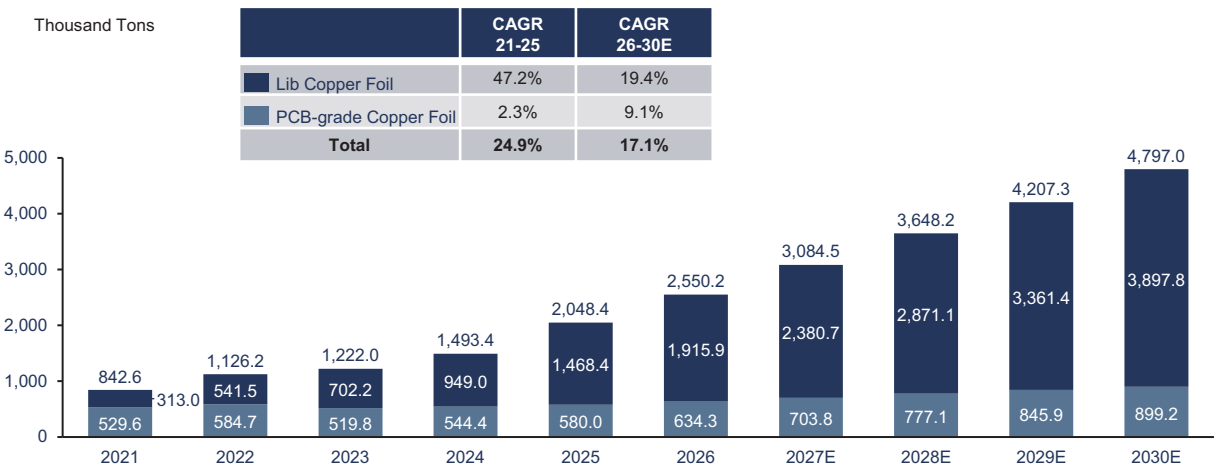
Source: Public Information Collation, Frost & Sullivan

Global and China's Electrolytic Copper Foil Market Size

The global sales volume of electrolytic copper foil increased from 842.6 thousand tons in 2021 to 2,048.4 thousand tons in 2025, with a CAGR of 24.9%. During the forecast period, the global sales volume is expected to further grow to 4,797.0 thousand tons by 2030, representing a CAGR of 17.1% from 2026 to 2030. The sales volume of LIB copper foil reached 1,468.4 thousand tons in 2025 and is projected to rise to 3,897.8 thousand tons by 2030, achieving a CAGR of 19.4% from 2026 to 2030. Meanwhile, the sales volume of PCB-grade copper foil is anticipated to increase from 580.0 thousand tons in 2025 to 899.2 thousand tons in 2030, with a CAGR of 9.1% from 2026 to 2030.

The growth in global sales volume of electrolytic copper foil is primarily driven by the rapid development and strong demand from downstream industries such as new energy and electronic information. In particular, the sales of LIB copper foil have surged, fueled by the growing demand for NEV, ESS, drones, eVTOL, embodied robots, electric construction machinery, electric agricultural machinery, electric vessels and other end-user applications. Rapid advancements in sectors such as telecommunications, data centers, AI and high-performance computing, IoT, and automotive electronics are also fueling the need for high-performance, high-density PCBs and PCB-grade copper foil.

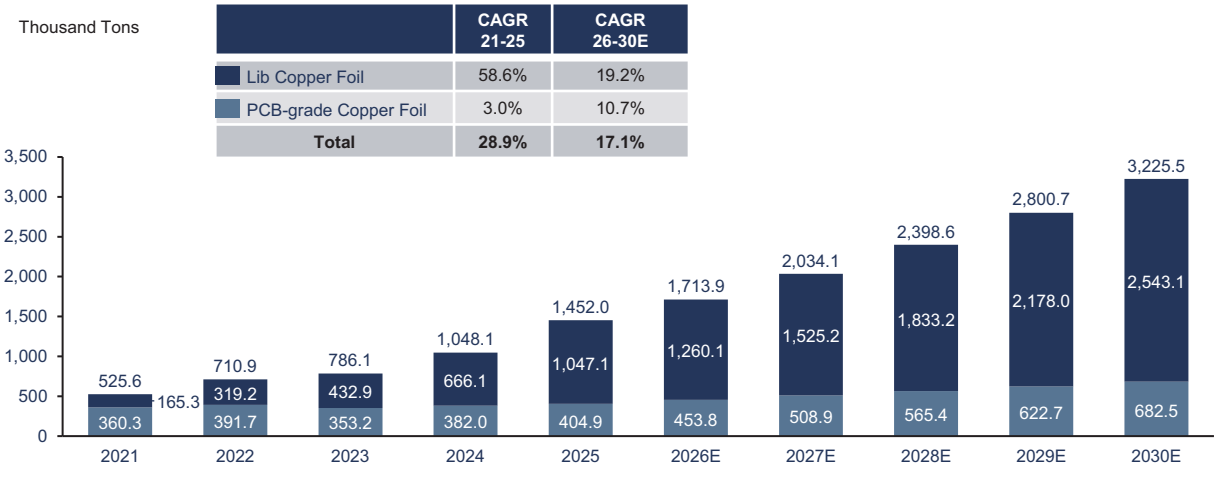
Sales Volume of Electrolytic Copper Foil (By Application), Global, 2021-2030E



Source: CCFA, Frost & Sullivan

The sales volume of electrolytic copper foil in China rose from 525.6 thousand tons in 2021 to 1,452.0 thousand tons in 2025, with a CAGR of 28.9%. Looking ahead, China's sales volume is expected to reach 3,225.5 thousand tons by 2030, growing at a CAGR of 17.1% from 2026 to 2030. In 2025, the sales volume of LIB copper foil in China was 1,047.1 thousand tons, and it is projected to increase to 2,543.1 thousand tons by 2030, with a CAGR of 19.2% from 2026 to 2030. The sales volume of PCB-grade copper foil in China is expected to grow from 404.9 thousand tons in 2025 to 682.5 thousand tons in 2030, achieving a CAGR of 10.7% from 2026 to 2030.

Sales Volume of Electrolytic Copper Foil (By Application), China, 2021-2030E



Source: CCFA, Frost & Sullivan

The global market size of electrolytic copper foil expanded from RMB70.2 billion in 2021 to RMB179.9 billion in 2025, with a CAGR of 26.5%. It is forecast to further grow to RMB449.2 billion by 2030, maintaining a CAGR of 18.7% from 2026 to 2030. The global market size of LIB copper foil was RMB128.4 billion in 2025 and is expected to reach RMB364.4 billion by 2030, with a CAGR of 21.1% from 2026 to 2030. The market size of PCB-grade copper foil is projected to increase from

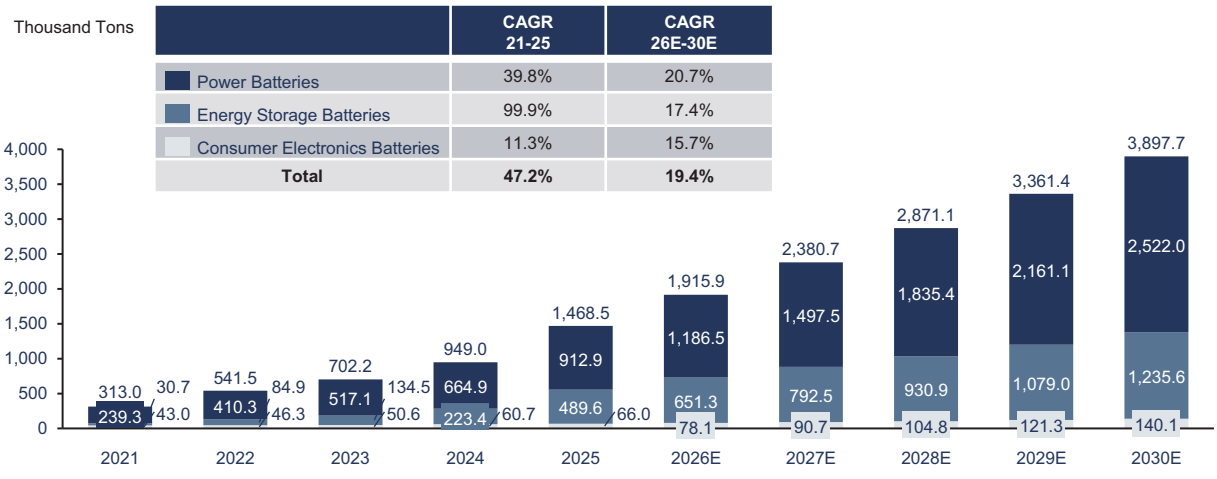
RMB51.5 billion in 2025 to RMB84.8 billion in 2030, representing a CAGR of 10.5% from 2026 to 2030. The synchronized high growth of end-user applications — including AI and high-performance computing, drones, eVTOL, embodied AI robots, electric construction machinery, electric agricultural machinery, and electric vessels — as well as NEV, ESS, and 5G/6G communication, coupled with continuous technological upgrades, is driving the steady expansion of the global electrolytic copper foil market, with lithium battery foil fueled by the booming new energy vehicle and energy storage sectors and electronic circuit foil benefiting from the advancement of AI and high-performance computing, 5G/6G communication, and humanoid robots.

China's electrolytic copper foil market size grew from RMB42.2 billion in 2021 to RMB124.2 billion in 2025, with a CAGR of 30.9%. It is expected to reach RMB292.8 billion by 2030, growing at a CAGR of 18.5% from 2026 to 2030. The market size of LIB copper foil in China was RMB89.3 billion in 2025 and is projected to rise to RMB230.4 billion by 2030, with a CAGR of 20.7% from 2026 to 2030. Additionally, the market size of PCB-grade copper foil in China is anticipated to increase from RMB34.9 billion in 2025 to RMB62.4 billion in 2030, achieving a CAGR of 12.1% from 2026 to 2030.

Global and China's LIB Copper Foil Market Size

Power battery copper foil holds the largest share of the electrolytic copper foil market. The global sales volume of power battery LIB copper foil increased from 239.3 thousand tons in 2021 to 912.9 thousand tons in 2025, with a CAGR of 39.8%. During the forecast period, the global sales volume of power battery LIB copper foil is expected to further grow to 2,522.0 thousand tons by 2030, representing a CAGR of 20.7% from 2026 to 2030. The global sales volume of energy storage battery copper foil rose from 30.7 thousand tons in 2021 to 489.6 thousand tons in 2026, with an impressive CAGR of 99.9%. Looking ahead, the global sales volume of energy storage battery copper foil is projected to reach 1,235.6 thousand tons by 2030, maintaining a high CAGR of 17.4% from 2026 to 2030.

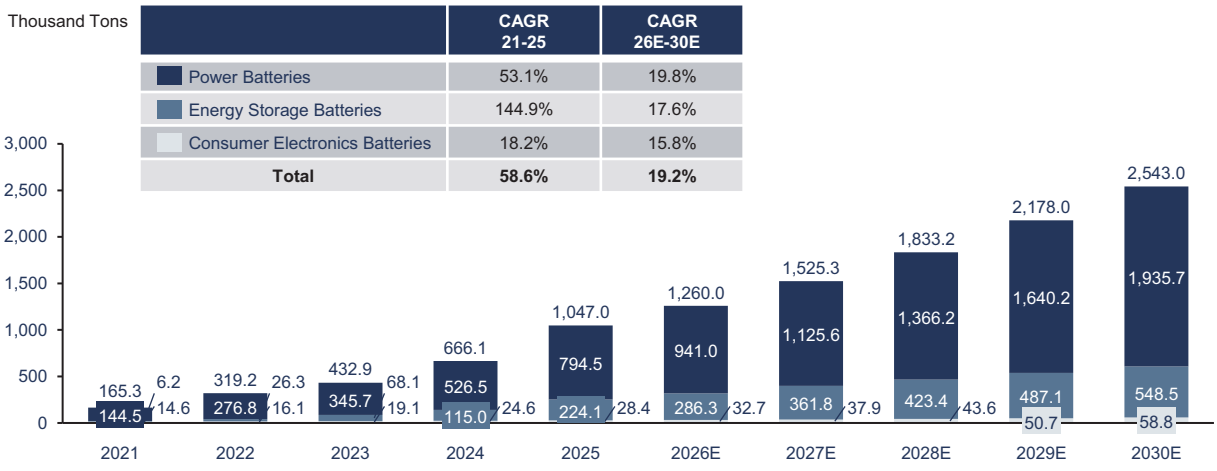
Sales volume of LIB Copper Foil (By Application) , Global, 2021-2030E



Source: CCFA, Frost & Sullivan

The sales volume of power battery LIB copper foil in China increased from 144.5 thousand tons in 2021 to 794.5 thousand tons in 2025, with a CAGR of 53.1%. In the forecast period, China's sales volume of power battery LIB copper foil is expected to further grow to 1,935.7 thousand tons by 2030, achieving a CAGR of 19.8% from 2026 to 2030. The sales volume of energy storage battery copper foil in China surged from 6.2 thousand tons in 2021 to 224.1 thousand tons in 2025, with an extraordinary CAGR of 144.9%. It is anticipated to reach 548.5 thousand tons by 2030, with a CAGR of 17.6% from 2026 to 2030.

Sales volume of LIB Copper Foil (By Application), China, 2021-2030E



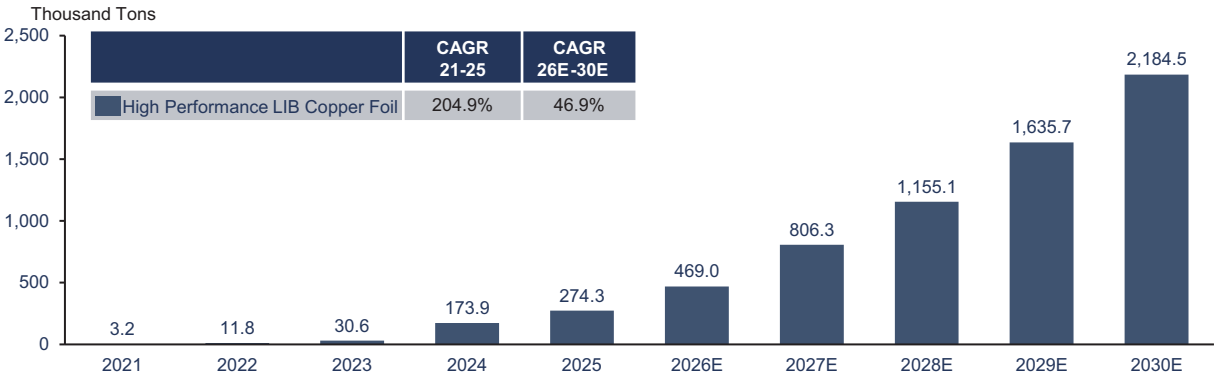
Source: CCFA, Frost & Sullivan

The global market size of LIB copper foil expanded from RMB28.0 billion in 2021 to RMB128.4 billion in 2025, with a CAGR of 46.3%. It is expected to further grow to RMB364.4 billion by 2030, maintaining a CAGR of 21.1% from 2026 to 2030. The global market size of power battery copper foil was RMB80.8 billion in 2025 and is projected to rise to RMB236.3 billion by 2030, with a CAGR of 22.1% from 2026 to 2030. Meanwhile, the global market size of energy storage battery copper foil is expected to increase from RMB41.4 billion in 2025 to RMB113.2 billion in 2030, representing a CAGR of 19.3% from 2026 to 2030.

China's market size of LIB copper foil grew from RMB14.4 billion in 2021 to RMB89.3 billion in 2025, with a remarkable CAGR of 57.7%. It is forecast to reach RMB230.4 billion by 2030, with a CAGR of 20.7% from 2026 to 2030. The market size of power battery copper foil in China was RMB68.3 billion in 2025 and is expected to grow to RMB176.1 billion by 2030, achieving a CAGR of 21.1% from 2026 to 2030. Additionally, the market size of energy storage battery copper foil in China is projected to increase from RMB18.4 billion in 2025 to RMB48.3 billion in 2030, with a CAGR of 19.3% from 2026 to 2030.

The sales volume of China's high performance LIB copper foil was 274.3 thousand tons in 2025 and are projected to rise to 2,184.5 thousand tons by 2030, achieving a CAGR of 46.9% from 2026 to 2030. The growth in the sales volume of China's high performance LIB copper foil was driven by the fast-growing EV, energy storage, low-altitude economy, and embodied AI robot sectors, coupled with the battery industry's ongoing technological shift towards thinner foil specifications (e.g., 5μm and below) to achieve higher energy density.

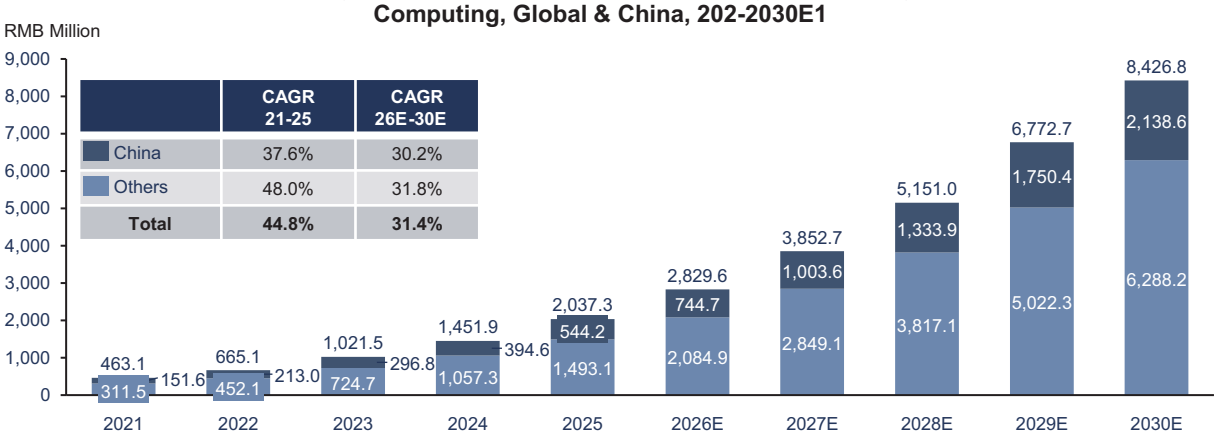
Sales Volume of High-Performance LIB Copper Foil, China, 2021-2030E



Source: Expert Interviews, Frost & Sullivan

The global market size of PCB-grade copper foil for AI and high-performance computing increased from RMB463.1 million in 2021 to RMB2,037.3 million in 2025, with a CAGR of 44.8%. During the forecast period, it is expected to further grow to RMB8,426.8 million by 2030, with a CAGR of 31.4% from 2026 to 2030. China's market size of PCB-grade copper foil for AI and high-performance computing rose from RMB151.6 million in 2021 to RMB544.2 million in 2025, with a CAGR of 37.6%. It is projected to reach RMB2,138.6 million by 2030, maintaining a CAGR of 30.2% from 2026 to 2030. The rapid development of AI infrastructure is driving strong demand for high-performance copper foil. As AI and high-performance computing, networking equipment evolve toward higher computing power, bandwidth and power density, PCB designs increasingly require ultra-low-profile, high-frequency and high-speed copper foil to reduce signal loss and improve transmission performance.

Market Size of PCB-grade Copper Foil for Artificial Intelligence and High-Performance Computing, Global & China, 202-2030E1



Source: Frost & Sullivan

Global Market Drivers of Electrolytic Copper Foil

Dual-Wheel Drive from New Energy Vehicles and Energy Storage Demand: The new energy vehicle industry is developing at a high speed, continuously expanding the power battery market. Energy storage batteries are in a phase of rapid expansion: the massive grid integration of wind and solar generation, coupled with AI data centers' demand for power stability, has triggered explosive market growth. Both shipments and installed capacity have hit all-time highs, with lithium-based "new-type" storage leading the surge. To improve battery energy density, the industry is accelerating the adoption of ultra-thin high-performance copper foils with a thickness of 5μm or less. Meanwhile, the demand for energy storage systems supporting wind and photovoltaic power has exploded, becoming the second growth pole driving the demand for copper foil. Its requirements for long lifespan and high safety are propelling the industrialization of next-generation copper foil technology.

High-performance Demand Led by 5G/6G, AI and High-performance Computing Infra Update: The high-performance upgrade of the electronic information industry constitutes another core driving force. The construction of 5G/6G communication networks, expansion of data centers, and growth in AI computing power have placed extremely high demands on the signal transmission performance of PCBs. High-performance electronic circuit copper foil features ultra-low surface roughness, delivering outstanding signal-transmission performance, low insertion loss, and exceptional stability. As the core specialty material for ultra-low-loss, high-frequency/high-speed substrates, it is widely deployed in 5G/6G communications and AI infrastructures, opening up additional market space.

Technological Progress and Performance Breakthroughs of Copper Foil: Advances in materials technology themselves are a key driver of new demand. The thickness and performance of lithium-ion copper foil directly impact the driving range of new energy vehicles; thinner foil enhances energy density. Compared with 8μm copper foil, cells made with 6μm and 5μm foil deliver roughly 5% and 9% higher energy density, respectively. In the field of PCB copper foil, the maturity of new surface treatment technologies and low-profile copper foils has significantly improved signal transmission efficiency, enabling upgrades of downstream products. Technological advancements have lowered the application threshold for high-performance copper foils and created previously non-existent market demand.

Downstream Application Fields Continue to Expand: The expansion into emerging application scenarios is creating new demand drivers for the electrolytic copper foil market. Beyond traditional EVs and energy storage, embodied AI robots require lightweight, high-power-density battery packs to support extended mobility and rapid charging cycles. Low altitude electric aircraft (eVTOLs) and humanoid robot demand ultra thin, high strength copper foil to maximize energy density while meeting stringent weight constraints for flight endurance. Meanwhile, electrified marine vessels, from inland cargo ships to offshore service craft, are transitioning to electric propulsion systems, each requiring substantial copper foil volumes for their large format battery modules.

Global Development Trends of Electrolytic Copper Foil

Lithium Battery Copper Foil is Becoming Thinner: High-performance applications, including premium electric vehicles, low-altitude aircraft, and advanced consumer electronics, demand longer range, driving the need for higher energy density in batteries. Using thinner copper foil has thus become a critical approach. It not only reduces battery weight and frees up space for more active material boosting energy density, but also helps battery manufacturers cut costs amid rising global copper prices.

Lithium Battery Copper Foil High Performance Demand: Enhancing key mechanical properties — such as tensile strength, elongation, and folding endurance — enables compatibility with high-expansion anode materials, fast-charging and safety demand. This ensures structural and electrochemical stability under higher energy density, longer cycle life, and more stringent operating conditions.

PCB-grade Copper Foil is Continuously Reducing Roughness: With the rapid development of AI and high-performance computing and 5G/6G communication, the demand for high-frequency, high-speed circuit boards is increasing. To reduce high-frequency signal attenuation caused by the skin effect, copper foil must further lower its surface roughness(profile) while maintaining excellent peel strength simultaneously.

Vertical Integration of the Industrial Chain and Horizontal Business Expansion: To enhance supply chain stability and overall competitiveness, leading copper foil manufacturers are accelerating industry chain integration. Vertically, some companies are extending upstream into raw material segments such as copper wire rods and cathode copper. Horizontally, leading enterprises strategies expanding products into cutting-edge application, such as current collector in solid/solid-liquid hybrid battery, as well as electronic circuits copper foil with ultra-low profile for AI hardware. This diversified strategy layout not only disperses the risks from single market but also enables companies to seizes the key position in next-generation technology through technological synergies.

The Market Competitiveness of China's Electrolytic Copper Foil Manufacturers Continues to Strengthen: With the world's largest lithium-ion battery market and the fastest pace of technological iteration, China has created the strongest demand for technological upgrades and the most rapid feedback mechanisms for upstream copper foil current collectors. This ''virtuous cycle'' within the industrial ecosystem is enabling Chinese copper foil companies to gain a competitive edge in the global market. In the field of electronic circuit copper foil, the implementation of more application scenarios provides clear direction and sustained momentum for the company's R&D in this area.

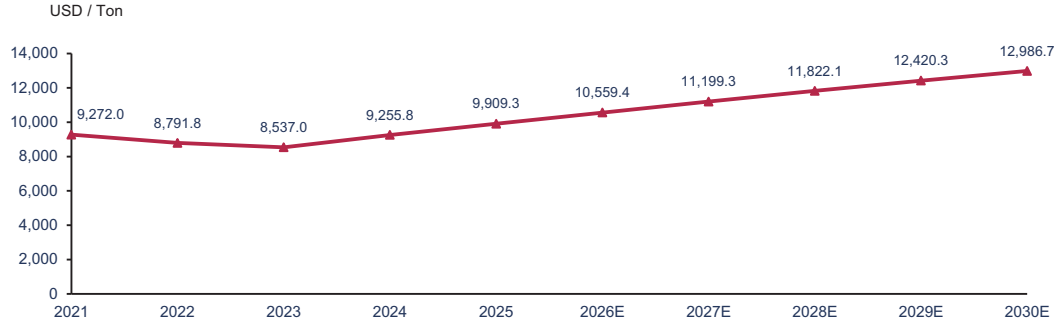
Sustainable Development Drives Innovation in Green Production Processes: Against the backdrop of global carbon neutrality goals and increasingly stringent environmental regulations, green production has become an irreversible industry trend. The greening of the production process reduces energy consumption and emissions by improving electrolyte formulations, recycling wastewater and waste heat, and using recycled copper and renewable energy for electricity.

Analysis of Electrolytic Copper Foil Raw Material Prices

The primary raw material for electrolytic copper foil is copper. Copper prices rose significantly between 2020 and 2021, mainly driven by strong demand from global loose monetary policies and sustainable transformation. Subsequently, prices fluctuated due to weakened demand caused by interest rate hikes and the slowdown in global economic growth.

The global average copper settlement price increased from USD 9,272.0 per ton in 2021 to USD 9,909.3 per ton in 2025. During the forecast period, it is expected to further grow to USD 12,986.7 per ton by 2030.

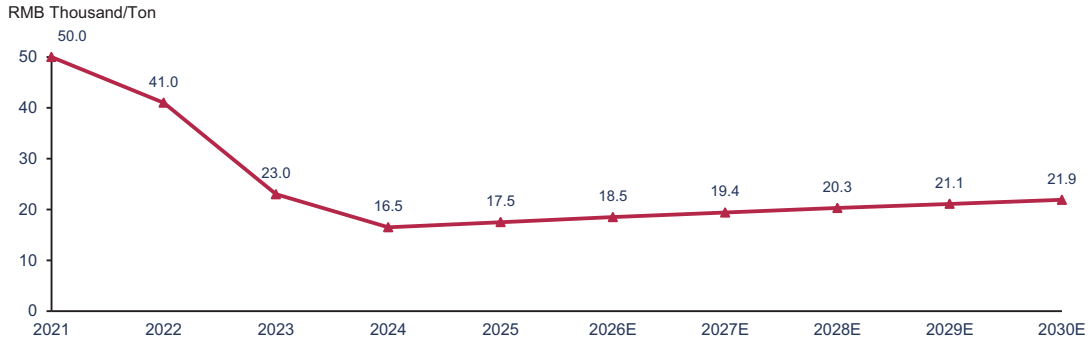
Average Copper Settlement Price, Global, 2021-2030E



Source: LME, Frost & Sullivan

Our electrolytic copper foil products are priced using a "copper price plus processing fee model". Under this model, the benchmark copper price component is typically passed through to our customers, thereby largely insulating our gross profit from direct copper price volatility.

Average Processing Fee of Electrolytic Copper Foil, China, 2021-2030E



Note: 6μm Lithium Battery Copper Foil

Source: Frost & Sullivan

Competitive Landscape Analysis of Global and China's Electrolytic Copper Foil Industry

In 2025, the Company ranked the tenth in terms of the sales volume and sales revenue of global electrolytic copper foil industry, with sales of 48.1 thousand tons of electrolytic copper foil and with a revenue of RMB4.2 billion. In 2025, the global electrolytic copper foil market was fragmented, with the top ten manufacturers holding about 42.1% share. The rest was spread among many other players, and no single dominant leader has emerged, reflecting a balanced competitive landscape.

Ranking of Electrolytic Copper Foil Suppliers (by Sales Volume), Global, 2025

Rank	Company Name	Sales Volume (Thousand Tons)	Market Share (%)
1	Company A	136.1	6.6%
2	Company B	122.2	6.0%
3	Company C	100.0	4.9%
4	Company D	98.3	4.8%
5	Company E	76.4	3.7%
6	Company F	75.6	3.7%
7	Company G	71.0	3.5%
8	Company H	69.7	3.4%
9	Company I	64.8	3.2%
10	**The Company**	**48.1**	**2.3%**
	Others	1,186.3	57.9%
	Total	**2,048.4**	**100.0%**

Company A was established in 1985 and is headquartered in Jiujiang, Jiangxi Province, and was listed on the Shenzhen Stock Exchange in 2023.

Company B was established in 1996 and is headquartered in Shenzhen, Guangdong Province, and was listed on the New York Stock Exchange in 2026.

Company C was established in 2016 and is headquartered in Tongling, Anhui Province, and is not publicly listed.

Company D was established in 2001 and is headquartered in Meizhou, Guangdong Province, and was listed on the Shanghai Stock Exchange in 2019.

Company E was established in 1989 and is headquartered in Shenzhen, Guangdong province, and was listed on the Shanghai Stock Exchange in 1997.

Company F was established in 1988 and is headquartered in Hong Kong, and was listed on the Hong Kong Stock Exchange in 2006.

Company G was established in 2010 and is headquartered in Tongling, Anhui Province, and was listed on the Shenzhen Stock Exchange in 2022.

Company H was established in 2011 and is headquartered in Xiaogan, Hubei Province, and was listed on the Shenzhen Stock Exchange in 2022.

Company I was established in 2001 and is headquartered in Hangzhou, Zhejiang Province, and was listed on the Shenzhen Stock Exchange in 2008.

In 2025, the Company ranked the eighth in terms of the sales volume of Global LIB copper foil industry, with sales of 42.3 thousand tons of LIB copper foil.

Ranking of LIB Copper Foil Suppliers (by Sales Volume), Global, 2025

Rank	Company Name	Sales Volume (Thousand Ton)	Market Share (%)
1	Company B	112.0	7.6%
2	Company A	110.0	7.5%
3	Company C	94.3	6.4%
4	Company D	89.5	6.1%
5	Company E	60.8	4.1%
6	Company I	59.7	4.1%
7	Company H	53.9	3.7%
8	**The Company**	**42.3**	**2.9%**
9	Company J	34.7	2.4%
10	Company G	30.0	2.0%
	Others	781.2	53.2%
	Total	**1,468.4**	**100.0%**

Company J was established in 1996 and is headquartered in North Jeolla Province, South Korea, and is not publicly listed.

In 2025, the Company, with sales of 32.9 thousand tons of high-performance LIB copper foil, ranked third in China market with a 12.0% market share. High-performance LIB copper foil features significant technological barriers and lengthy certification cycles. Leading manufacturers capture a larger market share due to their advantages in process technology and economies of scale, resulting in a higher market concentration compared to standard copper foil. The top five manufacturers collectively account for 66.4% of the market share.

Ranking of High-Performance LIB Copper Foil Suppliers (by Sales Volume), China, 2025

Rank	Company Name	Sales Volume (Thousand Ton)	Market Share (%)
1	Company B	48.0	17.5%
2	Company D	41.9	15.3%
3	**The Company**	**32.9**	**12.0%**
4	Company C	30.1	11.0%
5	Company A	29.1	10.6%
	Others	92.3	33.6%
	Total	**274.3**	**100.0%**

Global Electrolytic Copper Foil Industry Entry Barriers

Technology Barrier: The production of electrolytic copper foil requires comprehensive expertise in electrochemistry, material science, and precision control systems, with related technologies often relying on continuous technical accumulation and process optimization. To achieve a uniformly deposited ultra-thin copper layer and precisely control its surface morphology, mechanical strength, and thermal stability, companies must master strictly confidential additive formulas. When it comes to high-performance lithium battery copper foil, technical barriers become even more pronounced. In particular, to meet the requirements for high energy density and cycle life of batteries, finer control over the copper foil's tensile strength, elongation rate, and surface microstructure is required, which often involves deeper process know-how. For electronic circuit copper foil, the core technical barrier lies in fine-tuning additives and surface treatment technologies to educe roughness while maintaining stable peel strength, thereby ensuring suitability for high-frequency and high-speed circuits.

Customer Base Barrier: One of the core barriers facing new entrants lies in the established customer relationships. To break into the market, they must pass the stringent qualification certifications of major clients. This is because, in demanding fields such as automotive and high-end electronics, supply chain relationships are highly stable, with trust built on long-term collaboration history. As a result, the time and resource costs for new entrants to prove product reliability and build cooperative trust are significant, making it difficult for them to gain a foothold in the short term.

Capital Barrier: Building a competitive electrolytic copper foil production line requires significant capital investment, as the industry relies on highly specialized equipment and customized production systems, whose costs cannot be overlooked. Meanwhile, raw material procurement accounts for a substantial proportion of operational expenses, placing ongoing demands on a company's working capital. These initial and continuous capital requirements pose substantial financial challenges for new entrants.

Talent Barrier: The R&D and production of electrolytic copper foil rely on interdisciplinary teams with backgrounds in fields such as electrochemistry and materials engineering. These teams not only require profound theoretical knowledge but also extensive practical experience in processes and on-site problem-solving. Core technical personnel in the industry typically undergo long-term training and hands-on project experience. However, the supply of such high-end talent is limited and predominantly concentrated in existing major enterprises, making it difficult for new entrants to assemble a cohesive and experienced technical team in the short term.

SOURCE OF INFORMATION AND RESEARCH METHODOLOGY

We engaged Frost & Sullivan for preparing an independent industry report in respect of the global and China's electrolytic copper foil market.The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB500,000, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.Frost & Sullivan is an independent global consulting firm founded in 1961 in New York. Its services include, among others, industry consulting,market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of theindustry with certain leading industry participants, and interviews withindustry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing government statistics, industry association publication, company reports,independent research reports and data based on its own research database.

REGULATORY OVERVIEW

Our business and operations in China are subject to laws and regulations of PRC. This section summarizes the main relevant laws and regulations which impact the key aspects of the industry in which our business operates.

INDUSTRIAL POLICIES AND REGULATORY PROVISIONS

The National Catalogue for Guidance on Industrial Restructuring (2024 Version)(《產業結構調整指導目錄(2024年本)》), promulgated by the National Development and Reform Commission (the "**NDRC**"), which was most recently amended on December 27, 2023 and came into effect on February 1, 2024, categorizes the high-performance copper foils industry under the encouraged category.

The Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), jointly promulgated by the Ministry of Commerce and the NDRC on December 15, 2025 and effective on February 1, 2026, lists electrolytic copper foil in the directory to encourage foreign investment.

The Implementation Plan for High-Quality Development of the Copper Industry (2025-2027)(《銅產業高質量發展實施方案(2025-2027年)》), which was promulgated by ten departments including the Ministry of Industry and Information Technology on January 21, 2025, and effective on the same day, enhance the domestic copper resource guarantee capability cultivate "specialized, refined, unique and new" and "single champion" enterprises in the copper industry, and promote the high-end and cluster development of the industry.

The Guiding Opinions on Accelerating the Transformation and Upgrading of Traditional Manufacturing Industries (《關於加快傳統製造業轉型升級的指導意見》), promulgated by eight departments including the Ministry of Industry and Information Technology in December 2023, emphasizes the vigorous development and high-value recycling of scrap steel and non-ferrous metals, highlighting the importance of such measures to the copper industry by promoting sustainable practices and resource efficiency.

REGULATIONS IN RELATION TO PRODUCT LIABILITY

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018 (the "**Product Quality Law**"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any bodily injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (1) the product has never been circulated; (2) the defects causing injuries or damage did not exist at the time when the product was circulated; or (3) the science and technology at the time when the product was circulated were at a level incapable of detecting the defects.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the revised Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) made by the SCNPC on 30 December 2022, no filings is required for foreign trade operators engaged in goods import and export or technology import and export, with effect from 30 December 2022.

According to the Administrative Provisions of the Customs of the People's Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective on January 1, 2022, where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall be filed as a foreign trade operator.

REGULATIONS ON FOREIGN INVESTMENT

As provided under the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》)("**Foreign Investment Law**"), which was promulgated by the National People's Congress on March 15, 2019 and came into effect on January 1, 2020, the State adopts the management system of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; and the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will grant national treatment to foreign investments outside of the negative list. The negative list is released by or upon approval of the State Council.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version)(《外商投資准入特別管理措施(負面清單)(2024年版)》)(the "**Negative List**"), which were promulgated by the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce (the "**MOFCOM**") on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version)(《鼓勵外商投資產業目錄(2025年版)》)(the "**Encouraging Catalog**"), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

According to the Foreign Exchange Control Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and latest amended on August 5, 2008, with the latest revision effective on the same date, transactions involving goods, services, income and current transfers in the balance of payments are regarded as current accounts, under which the foreign exchange payments shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document; domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and effective on 1 June 2015, the State Administration of Foreign Exchange (國家外匯管理局, the "**SAFE**") has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine

and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

On December 26, 2025, the People's Bank of China and the SAFE jointly issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (the "**Notice**"), which shall come into effect on April 1, 2026. The Notice unifies RMB and foreigncurrency fund management for overseas listing proceeds, facilitates domestic **[REDACTED]** and exchange-rate risk management, streamlines registration procedures, and strengthens fund supervision by generally requiring repatriation of proceeds while allowing qualified enterprises to retain funds overseas under prescribed conditions.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

In accordance with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on 12 March 1984, and latest amended on 17 October 2020 and effective on 1 June 2021, the Implementation Regulations for the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on 15 June 2001 and last amended on December 11, 2023, with the latest revision effective on January 20, 2024, patent in PRC shall be categorized as invention, utility model and design. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date.

Trademark

In accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982, and was latest amended on April 23, 2019, with the latest revision effective on November 1, 2019, and the Implementation Regulations for the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) which was promulgated by the State Council on August 3, 2002 and was latest amended on April 29, 2014, with the latest revision effective on May 1, 2014, trademarks approved and registered by the Trademark Bureau are recognised as registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants are entitled to exclusive rights to use trademark and are protected by the law. A registered trademark shall be valid for 10 years, commencing from the date of registration. Use of a trademark identical or similar to a registered trademark on the same type of commodities without licensed by the trademark registrant shall be deemed as infringement of exclusive rights to use registered trademarks.

Domain Name

In accordance with the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the domain name registration services shall in principle implement "first-to-file" principle, unless otherwise stipulated by specific registration rules. Upon completion of registration, the applicant becomes the holder of the domain name. Any disputes over domain names are to be accepted and resolved by domain name dispute resolution institutions recognised by the China Internet Network Information Center.

Copyright

In accordance with the Copyright Law of the People's Republic China (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020, with latest revision effective on June 1, 2021, Chinese citizens, legal persons and other organizations without legal personality are entitled to copyright protection over their works, whether published or unpublished. Copyright includes personal rights and property rights.

REGULATIONS ON TAX

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》)(the "**EIT Law**") which was promulgated by the SCNPC on March 16, 2007, and was latest amended on December 29, 2018, with the latest revision effective on the same date and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》)(the "**EIT Implementation Regulations**") which was promulgated by the State Council on December 6, 2007, and was latest amended on April 23, 2019, with the latest revision effective on the same date, both resident enterprises and non-resident enterprises that have established institutions or premises in the PRC are subject to a uniform enterprise income tax rate of 25%. Enterprises established under the laws of other jurisdictions whose "de facto management bodies" are located within the PRC are deemed resident enterprises and are subject to the 25% enterprise income tax rate on income derived from both within and outside the PRC. Corporate income tax for key advanced and new technology enterprises supported by PRC shall be at a reduced tax rate of 15%.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值税法》) promulgated by the SCNP on December 25, 2024 and effective as of January 1, 2026, entities and individuals that sell goods, services, intangible assets or real estate within the territory of the PRC, as well as import goods, shall be taxpayers of value-added tax ("**VAT**") and shall pay VAT in accordance with the provisions thereof.

REGULATIONS ON CONSTRUCTION

According to the Law of the People's Republic of China on Urban and Rural Planning (《中華人民共和國城鄉規劃法》) which was promulgated by the SCNPC with effect from January 1, 2008 and recently amended with immediate effect on April 23, 2019, the Construction Law of the PRC (《中華人民共和國建築法》) which was promulgated by the SCNPC with effect from March 1, 1998 and recently amended with immediate effect on April 23, 2019 and the Regulation on Quality Management of Construction Projects (《建設工程質量管理條例》) which was promulgated on January 30, 2000 and amended with immediate effect on April 23, 2019, the construction activities carried out in the built-up areas of cities, towns and villages as well as areas that must be under planning control for urban and rural construction and development shall be in compliance with the relevant requirements of the Urban and Rural Planning Law of the PRC. The construction entity shall obtain the construction land planning permit and the construction project planning permit from the competent department of urban and rural planning under the people's government at the county level, and shall obtain the construction permit from the competent department of housing and urban and rural construction under the people's government at municipal and county level or above of the place of the construction project before commencement of construction. After receiving the construction project completion report, the construction entity shall organize the entities of design, construction, project supervision and other relevant entities to complete the acceptance.

According to the Regulations on the Administration of Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》), which was promulgated by the State Council on November 30, 2016 and came into effect on February 1, 2017, projects related to national security, major productivity distribution, strategic resource development and major public interests are subject to approval management. The specific project scope, the approval authority and the approval power shall be implemented in accordance with the catalog of investment projects approved by the government. Projects other than those stipulated hereinbefore shall be subject to administration by way of filing.

REGULATIONS IN RELATION TO ENVIRONMENTAL PROTECTION

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the former Ministry of Environmental Protection (now the MEE) on November 20, 2017, regulate the procedures and standards for environmental protection acceptance by construction entities upon the completion of construction projects.

Pursuant to Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》), promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge permit administration in accordance with laws shall apply for and obtain a pollutant discharge permit in accordance with the Regulations. The entities that fail to obtain a pollutant discharge permit shall not discharge any pollutants.

According to the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition)(《固定污染源排污許可分類管理名錄(2019年版)》), the state implements a focused management and a simplification of emission permits based on the pollutant-discharging enterprises and other manufacturing businesses' amount of pollutants, emissions and the extent of environmental damage.

REGULATIONS RELATING TO PRODUCTION SAFETY

On June 29, 2002, the Standing Committee of the National People's Congress (the "**SCNPC**") promulgated the Production Safety Law of the PRC (《中華人民共和國安全生產法》)(the "**Production Safety Law**"), which was recently amended by the SCNPC on June 10, 2021 and became effective on September 1, 2021. According to the Production Safety Law, enterprises that are engaged in production and business activities shall abide by the relevant laws and regulations concerning work safety, strengthen work safety management, establish and improve the all-staff work safety responsibility

system and work safety rules and regulations, increase investment in funds, materials, technologies and personnel for work safety, improve the conditions for work safety, strengthen the standardized and information technology development of work safety, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism, and improve the level of work safety so as to ensure workplace safety. The safety facilities of a producer or business operator for engineering projects to be built, renovated or expanded shall be designed, constructed, and put into operation and use simultaneously with the principal part of the projects. Investments in safety facilities shall be included in the budgetary estimates for the construction projects. Any entity that fails to provide required production safety conditions is prohibited from engaging in production activities.

REGULATIONS ON LABOR

Labor Relations

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, and was latest amended on December 28, 2012, with the latest revision effective on July 1, 2013, governs the establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise entities etc., in the PRC and their workers. It provides detailed provisions concerning the formation, performance, modification, termination and rescission of labor contracts, specifies relevant detailed requirements on terms and contents of labor contracts signed between the parties, and stipulates maximum working hours per day and per week as well as the statutory minimum monthly wage.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, and last amended on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1994, and last amended on March 24, 2019 and came into effect on the same day, and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims.

As advised by our PRC Legal Advisor, the aforementioned regulation is not expected to have a material adverse impact on our operation which is mainly because (i) as of the Latest Practicable Date, we had not signed any agreement with our employee or our employee had not committed to give up paying their social insurance, and (ii) during the Track Record Period and up to the Latest Practicable Date, we had not encountered any major complaints, reports, or labor disputes related to social insurance.

REGULATIONS ON DIVIDEND DISTRIBUTION

In accordance with the Company Law of the People's Republic of China (《中國公司法》), which was promulgated by the SCNPC on December 29, 1993, October 26, 2018, and was amended on December 29, 2023, and the Foreign Investment Law, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as statutory reserves at least 10% of its after-tax profit, until the cumulative amount of statutory reserves reaches 50% of its registered capital unless the provisions of laws regarding foreign investment otherwise provided, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) promulgated by the SAFE on January 26, 2017, (1) under the principle of genuine transaction, the banks shall review the board resolutions regarding profit distribution, the original copy of tax filing records and audited financial statements; and (2) domestic institutions shall hold income to account for previous years' losses according to the law before remitting the profits. Moreover, domestic institutions shall make detailed explanations of sources of capital for investment and its utilization arrangements, and provide board resolutions, contracts and other proof of authenticity when proceeding with the registration procedures in connection with an outbound direct investment.

REGULATIONS ON EQUITY INCENTIVE PLAN

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was promulgated by the SAFE on February 15, 2012 and other relevant rules, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year who participate in equity incentive plans of the same overseas listed company shall, through the domestic company to which the said company is affiliated, collectively entrust a domestic agency (the "**domestic agency**") to handle issues like foreign exchange registration, account establishment, funds transfer and remittance, and entrust an overseas institution (the "**overseas trustee**") to handle issues like exercise of options, purchase and sale of corresponding stocks or equity, and transfer of corresponding funds. In addition, in the case of any significant change in the equity incentive plan of a company listed overseas (such as amendment to any key clauses of the original plan, addition of a new plan, or any other change in the original plan arising out of the merger, acquisition or reorganization of the overseas listed company or the domestic company or other major events), the domestic agency or the overseas trustee shall, within three months of the occurrence of such change, go through change registration procedures with the local office of the SAFE on the strength of a written application, the original certificate of foreign exchange registration for the equity incentive plan, a newly filled-out Foreign Exchange Registration Form and materials which demonstrate the authenticity of relevant transactions.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and effective on March 1, 2020, comprehensively regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the

duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)(the "**Overseas Listing Trial Measures**") together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory **[REDACTED]**. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》)(the "**Provision on Confidentiality**"). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

Established in 2016, we are a leading electrolytic copper foil solutions provider in China, specializing in the design, research and development, production, and sales of high-performance electrolytic copper foil. 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 have been focusing on electrolytic copper foil business since our inception. From February 2022 to December 2022, our Company completed four rounds of **[REDACTED]** Investments See "— Corporate Development of our Company — **[REDACTED]** Investments" below for details.

In December 2022, our Company converted into a joint stock company. See "— Corporate Development of our Company — Conversion into a joint stock company" below for details.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2016 . .	Our Company was established in August
2018 . .	The 20,000-ton electrolytic copper foil project of our Company was put into operation in April
2019 . .	Our Company was recognized as "High-tech Enterprise (國家高新技術企業)" in December for the first time
2020 . .	Our major subsidiary, Shengeng Tongbo, was established in January
2021 . .	The 30,000-ton electrolytic copper foil project of Shengeng Tongbo was put into operation in August
2022 . .	Our Company was recognized as "Benchmark Enterprise for Intelligent Manufacturing in Jiangxi Province (江西省智能製造標桿企業)" Our Company converted into a joint stock company We completed the development and sample making of "5-6μm High-tensile and High-elongation Copper Foil (5-6μm高抗拉高延伸銅箔)" in the fourth quarter We introduced BYD and Yibin Chendao (fund invested by CATL) as our **[REDACTED]** Investors
2023 . .	Our Company was recognized as "Jiangxi Provincial Ultra-thin Electronic Copper Foil Engineering Research Center (江西省超薄電子銅箔工程研究中心)" by Jiangxi Provincial Development and Reform Commission (江西省發展和改革委員會), "Potential Unicorn Enterprise in Jiangxi Province (江西省潛在獨角獸企業)" by Jiangxi Provincial Department of Science and Technology (江西省科學技術廳), and "Provincial-Level Enterprise Technology Center (省級企業技術中心)" by the Jiangxi Provincial Department of Industry and Information Technology (江西省工業和信息化廳), Jiangxi Provincial Finance Department (江西省財政廳) as well as State Taxation Administration of Jiangxi Province (國家税務總局江西省税務局) in December

Year	Milestone
	Our Company was selected for the 2023 Hurun Global Future Unicorns List (2023胡潤全球未來獨角獸榜單)
	We established Sichuan Tongbo as our production base in Sichuan province
2024 . .	As a member of the drafting committee, we formulated the industry standard, Electrolytic Copper Foil for Lithium Batteries (《鋰離子電池用電解銅箔》)
	Our Company was recognized as "Provincial Green Factory (省級綠色工廠)" by the Department of Industry and Information Technology of Jiangxi Province in December
2025 . .	Our Company was recognized as "Advanced Intelligent Manufacturing Factory (先進級智能化工廠)" by the Jiangxi Provincial Department of Industry and Information Technology in May
	Our Company was recognized as "National-Level Specialized, Refined, Differential and Innovative "Key Little Giant" Enterprise (國家級專精特新重點 "小巨人" 企業)" by MIIT
	We completed the sample making of "Novel Multi-metal Anode Current Collector Materials for Solid-state Batteries (固態電池用多金屬新型負極集流體材料)" in the second half of the year
	We completed the sample making of "Porous Copper Foil (多孔銅箔)" in the second half of the year
	We completed the sample making of "RTF3 Series High-end Electronic Circuit Copper Foil (RTF3系列高端電子電路銅箔)" in November
	The additional 20,000-ton electrolytic copper foil project of Shengeng Tongbo was put into operation in December
	We were awarded the "Excellent Partner Award, Quality Excellence Award (年度卓越合作夥伴、優秀質量獎)" by EVE Energy
	We were awarded the "Technological Innovation Award (年度技術創新獎)" by CATL
2026 . .	Samples of our HVLP4 copper foil were submitted to a globally leading flexible CCL manufacturer for qualification and supply chain approval
	We commenced supply of our RTF1 and HVLP1 products to several AI PCB manufacturers
	The relevant patents for our HVLP series products entered the patent publication stage
	We completed the sample making of "New Coated Current Collector for Sodium-ion Batteries (鈉離子電池用新型塗層負極集流體)"
	The accreditation application for our research and development facilities by the China National Accreditation Service for Conformity Assessment (CNAS) proceeded to the formal review stage

Year	Milestone
	Our 20,000-tonne electrolytic copper foil production base in Sichuan Province was put into operation

CORPORATE DEVELOPMENT OF OUR COMPANY

Establishment and early development

Our Company was established as a limited liability company on August 18, 2016 with the corporate name of Jiangxi Tongbo Technology Co., Ltd.(江西銅博科技有限公司) in the PRC, with an initial registered capital of RMB50.0 million. At the time of establishment, our Company was owned by Mr. Li Siyang, Mr. Lin Tengguang(林騰光, the then Director of our Company), Ms. Lin Li'E(林利娥, the mother-in-law of Mr. Li Xianyang), Mr. Shi Chen(石晨, the then general manager of our Company) and Mr. Huang Xuncai(黃遜才, the then supervisor of our Company), as to 31.0%, 31.0%, 31.0%, 5.0% and 2.0%, respectively.

On October 31, 2018, the registered capital of our Company from RMB50.0 million to RMB62.5 million, with the increased registered capital of RMB12.5 million (represented 20% of the enlarged share capital of our Company upon the completion of the share capital increase) subscribed by Mr. Li Xianyang, our Chairman, executive Director and General Manager, at a consideration of RMB80.0 million.

Early equity transfers and equity increase

With the continuous development of our business, our Company decided to focus on our principal business of the design, research and development, production and sales of electrolytic copper foil, and Mr. Li Xianyang and Mr. Li Siyang decided to obtained greater control over our Company to facilitate its decision-making process relating to business expansion. In light of the above, Mr. Li Xianyang and Mr. Li Siyang successively acquired the entire equity interest within our Company during the period from August 2019 to September 2021. The consideration of the abovementioned acquisitions was determined based on the business operation, financial performance and prospects of our Company at the relevant time. Upon the completion of the above equity transfers, our Company was owned by Mr. Li Xianyang and Mr. Li Siyang as to 48.8% and 51.2%, respectively.

In September 2021, the registered capital of our Company further increased from RMB62.5 million to RMB179.5 million, with the increased registered capital of RMB117.0 million subscribed by Mr. Li Xianyang and Mr. Li Siyang. Such capital interest was settled by (i) the contribution of cash amounted RMB5.2 million into our Company by Mr. Li Siyang and Mr. Li Xianyang; and (ii) the transfer of the entire equity interest of Shengeng Tongbo, which was held by Mr. Li Xianyang and Mr. Li Siyang at the relevant time, to our Company.

Upon the completion of the above equity transfers, our Company was owned by Mr. Li Xianyang and Mr. Li Siyang as to 51.0% and 49.0%, respectively.

Introduction of incentive platforms and shareholding platforms

On January 11, 2022, in order to provide incentive, our then Shareholders resolved, among others, to increase the registered capital of our Company from RMB179.5 million to RMB199,440,052, with Tong Chuang, Tong Xin and Tong De subscribed RMB9,395,810, RMB8,974,802 and RMB1,569,440 of the registered capital of our Company, at a consideration of RMB18,885,578, RMB18,039,357 and RMB3,154,575, respectively, determined based on the net asset value of our Company at the relevant time.

Tong Chuang, Tong Xin and Tong De are limited partnerships established in the PRC, all being our employee share incentive platforms. As of the Latest Practicable Date:

(i) Tong Chuang had 33 partners, with Rui Yongguang (芮勇光, one of our employees) acted as its general partner. The remaining 32 limited partners of Tong Chuang were our employees, none of them held 30% or more partnership interest in Tong Chuang.

(ii) Tong Xin had 13 partners, with Yang Qing (楊青, one of our employees) acted as its general partner. The remaining 12 limited partners of Tong Xin were our employees, none of them held 30% or more partnership interest in Tong Xin.

(iii) Tong De had 13 partners, with Hua Xiu (花秀, one of our employees) acted as its general partner. The remaining 12 limited partners of Tong De were our employees, none of them held 30% or more partnership interest in Tong De.

Upon the completion of the abovementioned equity changes, our Company was owned by Mr. Li Xianyang, Mr. Li Siyang, Tong Chuang, Tong Xin and Tong De as to approximately 45.9%, 44.1%, 4.7%, 4.5% and 0.8%, respectively.

For the purpose of personal and family wealth planning, in January 12, 2022, Mr. Li Siyang transferred registered share capital in our Company amounted to RMB25,927,207 to Zhuhai Xinyan, at a consideration of RMB46,968,500. Zhuhai Xinyan is a limited partnership established in the PRC, with Mr. Li Siyang acting as its general partner holding 98.0% partnership interest. The remaining 2.0% of the partnership interest of Zhuhai Xinyan was held by Ms. Chen Yingdan (陳映丹), the spouse of Mr. Li Siyang, in her capacity as a limited partner of Zhuhai Xinyan. Despite Ms. Chen Yingdan is indirectly interested in our Shares through Zhuhai Xinyan, she was not considered as our Controlling Shareholders because: (i) Ms. Chen Yingdan became the limited partner of Zhuhai Xinyan solely as a result of the Mr. Li Siyang's personal and family wealth planning; (ii) Ms. Chen Yingdan only acts as a limited partner of Zhuhai Xinyan, holding a relatively minority part (i.e., 2.0%) of its partnership interest. The management of the affairs of Zhuhai Xinyan and in particular, the exercise of voting rights underlying our Shares held by Zhuhai Xinyan, has always been solely subject to the discretion of Mr. Li Siyang, being the general partner of Zhuhai Xinyan and holding the majority (i.e., 98.0%) of its partnership interest; (iii) there has been no formal or informal agreements, arrangements and/or understanding between Ms. Chen Yingdan and Mr. Li Siyang in relation to the exercise of the voting rights both at the level of Zhuhai Xinyan and that of our Company; (iv) Ms. Chen Yingdan has not hold any other interest in our Group other than her indirect interest in our Company through Zhuhai Xinyan; and (v) Ms. Chen Yingdan has not hold any position within our Group.

[REDACTED] Investments

From February 2022 to December 2022, our Company completed four rounds of **[REDACTED]** Investments, details are set out as below:

Investment Round	BYD Equity Transfer	Series A Financing	Series A+ Equity Transfer	Series B Financing
Date of investment agreement(s)	December 30, 2021	March 20, 2022 and October 27, 2022[2]	November 28, 2022	December 28, 2022[3]
Name of investors and amount of registered capital/number of Shares acquired[1]	• BYD (RMB6,980,402)	• Yibin Chendao (RMB10,769,763, which was subsequently adjusted to RMB7,179,842)[2] • Jinhua Jinkai (RMB3,988,801) • Xiamen Huiyou (RMB3,988,801) • Shenzhen Huiying (RMB3,988,801, which was subsequently transferred to Fuzhou Gaoxin)[2] • Thriving Capital (RMB1,196,640, which was subsequently adjusted to RMB797,760)[2] • Huiyou Venture (RMB1,116,864) • Chuangqi Kaiying (RMB55,843) • Fuzhou Gaoxin (RMB7,977,602, acquired from Yibin Chendao, Shenzhen Huiying and Thriving Capital)[2]	• Shenzhen Leijin (RMB2,494,926)	• Zhongjin Yibin (3,492,931 Shares) • Sichuan Dingxiang (2,494,951 Shares, which was subsequently transferred to Chengdu Dingyi)[3] • Chengdu Dingyi (2,494,951 Shares, acquired from Sichuan Dingxiang)[3] • Southeast Tech Innovation (2,095,759 Shares)
Total amount of registered capital/number of Shares acquired	Registered capital in our Company amounted to RMB6,980,402 acquired from Zhuhai Xinyan	Registered capital amounted to RMB25,105,513 subscribed from our Company	Registered capital in our Company amounted to RMB2,494,926 acquired from Zhuhai Xinyan	8,083,641 Shares subscribed from our Company
Consideration	RMB70,000,000	RMB314,700,000	RMB40,000,000	RMB162,000,000
Settlement date of consideration	February 7, 2022	October 28, 2022	December 8, 2022	December 30, 2022
Approximate shareholding percentage in our Company immediately after the completion of the respective rounds of [REDACTED] Investments	3.5%	11.2%	1.1%	3.5%

Investment Round	BYD Equity Transfer	Series A Financing	Series A+ Equity Transfer	Series B Financing
Approximate shareholding percentage in our Company immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
Valuation of our Company upon the completion of the respective rounds of [REDACTED] Investments	Approximately RMB2.0 billion	Approximately RMB2.8 billion	Approximately RMB3.6 billion	Approximately RMB4.7 billion
Basis of determination of the valuation and consideration	The consideration for each round of **[REDACTED]** Investments was determined after arm's length negotiation amongst the respective **[REDACTED]** Investors, our Company and/or our Shareholders after taking into consideration of the timing of the investments, the status of our business operations, the financial performance of our Group and our business prospects as well as the prospects of the industry in which we operate in.			
Cost per Share[4]	Approximately RMB10.0 per Share	Approximately RMB12.5 per Share	Approximately RMB16.0 per Share	Approximately RMB20.0 per Share
Discount to the [REDACTED][5]	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
[REDACTED] from the [REDACTED] Investments	We utilized the proceeds from the **[REDACTED]** Investments (other than the proceeds from BYD Equity Transfer and Series A+ Equity Transfer) for our principal business as approved by the Board, including but not limited to our research and development activities, the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, all of the proceeds from the **[REDACTED]** Investments have been utilized. We did not receive any proceeds from BYD Equity Transfer and Series A+ Equity Transfer.			
Strategic benefits to our Company	We are of the view that our Company can benefit from the investments by the **[REDACTED]** Investors as their investments demonstrated their confidence in our Group's operations and served as an endorsement of our Company's performance, strengths and prospects. We also believe that the **[REDACTED]** Investors with their diversified background, experience in investment, corporate management, investor relations and expertise in various industries, will be able to provide us with insights and advice on our Group's business development, introduce us to more potential customers and bring us with more potential opportunities.			
Lock-up	The **[REDACTED]** Investors are not subject to any lock-up arrangement at the time of the **[REDACTED]** under the relevant agreements in relation to the **[REDACTED]** Investments. Pursuant to the applicable PRC law, within the 12 months from the **[REDACTED]**, all existing Shareholders (including the **[REDACTED]** Investors) could not dispose of any of the Shares held by them.			

Notes:

(1) on December 20, 2022, our Company converted into a joint stock company. See "— Conversion into a joint stock company" below for retails.

(2) As agreed among the investors participated in our Series A Financing, our then Shareholders and our Company, (i) Fuzhou Gaoxin shall be introduced as an additional **[REDACTED]** Investors in our Series A Financing; and (ii) due to the change of their respective investment plans, (a) Yibin Chendao and Thriving Capital decided to downward adjust their investment amounts; and (b) Shenzhen Huiying decided not to participate in our Series A Financing. In light of the above, (i) in September 2022, Yibin Chendao, Shenzhen Huiying and Thriving Capital transferred the registered capital of our Company in an aggregate amount of RMB7,977,602 to Mr. Li Xianyang; and (ii) in October 2022, Mr. Li Xianyang transferred the same amount of our registered capital to Fuzhou Gaoxin. The consideration of the above equity transfers was nil as the transferred equity interests remained unpaid at the time. On the other land, Fuzhou Gaoxin, as the additional **[REDACTED]** Investor, agreed to contribute RMB100 million into our Company upon becoming our Shareholder. The capital contribution from Fuzhou Gaoxin was completed by October 28, 2022.

(3) Pursuant to the arrangements between Sichuan Dingxiang and Chengdu Dingyi, in November 2024, Sichuan Dingxiang transferred the 2,494,951 Shares initially subscribed by it in Series B Financing to Chengdu Dingyi at RMB50 million, which was equal to the subscription price of such Shares paid by Sichuan Dingxiang. No special rights was granted to Chengdu Dingyi. See "Information about the **[REDACTED]** Investors" below for details of Chengdu Dingyi.

(4) The cost per Share paid by the **[REDACTED]** Investors was calculated based on the amount of investment made by the relevant **[REDACTED]** Investors and number of Shares held by them immediately before the completion of the **[REDACTED]**.

(5) Discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]**, being the **[REDACTED]** of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**.

Special rights granted to the [REDACTED] Investors

The **[REDACTED]** Investors have been granted with special rights including liquidation preference, anti-dilution right, pre-emptive right, right of first refusal, co-sale right, as well as information and inspection right (collectively, the "**Special Rights**").

Our Company and its then existing Shareholders (including the **[REDACTED]** Investors) have entered into a series of supplemental agreements to the respective **[REDACTED]** Investment agreements (collectively, the "**Supplemental Agreements**"), pursuant to which the Special Rights had been terminated on the respective dates of the Supplemental Agreements, the day immediately preceding the date on which our Company filed its **[REDACTED]** application, or the **[REDACTED]**. No Special Rights will survive after the **[REDACTED]**.

Our PRC Legal Advisor is of the view that the Special Rights shall be terminated pursuant to the terms of the Supplemental Agreements; and the Supplemental Agreements do not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid.

PRC Legal Advisor's conformation

As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in respect of the **[REDACTED]** Investments in material aspects set out above.

Sole Sponsor's confirmation

On the basis that (i) the consideration for the **[REDACTED]** Investment was settled more than 28 clear days before the first filing of the **[REDACTED]** application by our Company with the Stock Exchange, and (ii) the termination of special rights granted to the **[REDACTED]** Investors as disclosed in "Special rights granted to the **[REDACTED]** Investors" above, the Sole Sponsor has confirmed that the **[REDACTED]** Investments are in compliance with the Chapter 4.2 under the Guide.

In particular, in confirming that the Special Rights, had been terminated pursuant to the terms of the terms of the Supplemental Agreements, the Sole Sponsor has conducted due diligence work including, among others: (i) reviewing the relevant investment agreements and the Supplemental Agreements entered into by our Company and the then Shareholders, (ii) reviewing the legal opinion issued by the PRC Legal Advisor, and (iii) discussing with the PRC Legal Advisor and the PRC legal advisor to the Sole Sponsor to understand the treatment of the aforementioned special rights in the Supplemental Agreements under PRC laws. Based on the due diligence work conducted, nothing has come to the Sole Sponsor's attention that would cause them to cast doubt on the view of the PRC Legal Advisors above.

Information about the [REDACTED] Investors

The background information of the **[REDACTED]** Investors is set out below.

BYD Equity Transfer

1. BYD

BYD is a joint stock company based in Shenzhen, the PRC, which is principally engaged in automotive business, mainly focused on new energy vehicles, mobile phone parts and assembly business, rechargeable batteries and photovoltaic business. BYD is a listed company on the Shenzhen Stock Exchange (stock code: 002594.SZ) and the Stock Exchange (stock code: 1211.HK).

Series A Financing

1. Yibin Chendao

Yibin Chendao is a limited partnership investment fund established in the PRC on April 12, 2021, which is principally engaged in equity investment.

The general partner of Yibin Chendao is Chendao Capital LLP (寧波梅山保税港區晨道投資合夥企業(有限合夥)), which is owned by Guan Chaoyu (關朝餘) and Ningbo Meishan Free Trade Zone Yitian Investment Co., Ltd. (寧波梅山保税港區倚天投資有限公司, "**Yitian Investment**") as to 99.0% and 1.0%, respectively. Yitian Investment is owned by Guan Chaoyu and Zhang Shuqin (章書勤), as to 67.0% and 33.0%, respectively. Guan Chaoyu and Zhang Shuqin are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

Yibin Chendao has four limited partners. The first and second largest limited partners are Yibin Emerging Industry Investment Group Co., Ltd. (宜賓市新興產業投資集團有限公司, "**Yibin Investment**") and Ningbo Meishan Bonded Port Zone Wending Investment Co., Ltd. (寧波梅山保税港區問鼎投資有限公司, "**Ningbo Wending**"), holding approximately 44.1% and 29.4% partnership interests in Yibin Chendao. The other two limited partners holds less than 15.0% partnership interests in Yibin Chendao. Ningbo Wending is a company established in the PRC, which is a wholly-owned subsidiary of CATL.

Yibin Investment is a limited company established in the PRC, which is indirectly owned by the SASAC of Yibin Municipal Government (宜賓市政府國有資產監督管理委員會) and Sichuan Provincial Department of Finance (四川省財政廳) as to 90.0% and 10.0%, respectively.

2. Jinhua Jinkai

Jinhua Jinkai is a limited partnership investment fund established in the PRC on September 15, 2021, which is principally engaged in equity investment.

The general partner of Jinhua Jinkai is Shenzhen Dehong Lianxin Private Equity Fund Management Co., Ltd.(深圳市德弘聯信私募股權基金管理有限公司), a limited company established in the PRC, primarily engaged in private equity investment, which is owned by three individuals, namely, Zhang Huancheng(章煥城), Liu Junhui(劉軍輝) and Yao Gaosheng(姚高升) as to 73.5%, 24.5% and 2.0%, respectively. Zhang Huancheng, Liu Junhui and Yao Gaosheng are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

Jinhua Jinkai has nine limited partners, none of them holds 30% or more partnership interest in Jinhua Jinkai.

3. Xiamen Huiyou

Xiamen Huiyou is a limited partnership investment fund established in the PRC on July 29, 2021, which is principally engaged in equity investment.

The general partner of Xiamen Huiyou is Xiamen Huiyou Lanying Management Consulting Partnership Enterprise (Limited Partnership)(廈門惠友藍楹管理諮詢合夥企業(有限合夥)), which is owned by Shenzhen Huiyou Private Equity Fund Management Co., Ltd.(深圳市惠友私募股權基金管理有限公司, "**Huiyou PE**") and Yang Qing(楊慶), as to 90.0% and 10.0%, respectively. Huiyou PE is a limited company established in the PRC, owned by Yang Longzhong(楊龍忠) and Shenzhen Huiyou Kunyuan Enterprise Management Partnership (Limited Partnership)(深圳市惠友坤遠企業管理合夥企業(有限合夥))("**Huiyou Kunyuan**") as to 67.0% and 33.0%, respectively. Huiyou Kunyuan is a limited partnership established in the PRC, owned by Deng Jun(鄧軍), Xiao Haiwei(肖海偉) and Yang Yang(楊揚) as to 80.0%, 10.0% and 10.0%, respectively. Yang Qing, Yang Longzhong, Deng Jun, Xiao Haiwei and Yang Yang are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

Xiamen Huiyou has 32 limited partners, none of them holds 30% or more partnership interest in Xiamen Huiyou.

4. Thriving Capital

Thriving Capital is a limited partnership established in the PRC on October 9, 2017, which is principally engaged in equity investment. The general partner of Thriving Capital is Huang Kun(黃錕), holding 1.0% partnership interest in Thriving Capital. Thriving Capital has one limited partner, Wu Cen(吳岑), holding 99.0% partnership interest in Thriving Capital. Huang Kun and Wu Ceng are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

5. Huiyou Venture

Huiyou Venture is a limited partnership investment fund established in the PRC on December 22, 2020, which is principally engaged in equity investment. The general partner of Huiyou Venture is Zhang Zeyi(張則義), holding 95.0% partnership interest in Huiyou Venture. Huiyou Venture has one limited partner, Wu Kesong(吳克松), holding 5.0% partnership interest in Huiyou Venture. Zhang Zeyi and Wu Kesong are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

6. Chuangqi Kaiying

Chuangqi Kaiying is a limited partnership investment fund established in the PRC on September 8, 2020, which is principally engaged in equity investment.

The general partner of Chuangqi Kaiying is Jiaxing Chuangqi Kaiying Enterprise Management Co., Ltd.(嘉興市創啟開盈企業管理有限公司), a limited company established in the PRC, which is owned by Li Lu(李璐)and Li Min(李敏)as to 50.0% and 50.0%, respectively. Li Lu and Li Min are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

Chuangqi Kaiying has ten limited partners, none of them holds 30% or more partnership interest in Chuangqi Kaiying.

7. Fuzhou Gaoxin

Fuzhou Gaoxin is a limited company established in the PRC on July 28, 2008, which is principally engaged in equity investment. Fuzhou Gaoxin is indirectly wholly-owned by the SASAC of Fuzhou Municipal Government(撫州市政府國有資產監督管理委員會).

Series A+ Equity Transfer

1. Shenzhen Leijin

Shenzhen Leijin is a limited partnership investment fund established in the PRC on May 24, 2022, which is principally engaged in equity investment.

The general partner of Shenzhen Leijin is Guangdong Leijin Tongchuang Equity Investment Fund Management Co., Ltd.(廣東磊晉同創股權投資基金管理有限公司), a limited company established in the PRC, which is wholly owned by Wu Bin(吳彬), an individual investor focusing on investments in emerging and fast-growing sectors in the PRC and is an Independent Third Party (other than his indirect interest in our Company).

Shenzhen Leijin has ten limited partners, none of them holds 30% or more partnership interest in Shenzhen Leijin.

Series B Financing

1. Zhongjin Yibin

Zhongjin Yibin is a limited partnership investment fund established in the PRC on October 11, 2022, which is principally engaged in equity investment.

The general partner of Zhongjin Yibin is CICC Capital Operation Co., Ltd.(中金資本運營有限公司 "**CICC Capital**"). CICC Capital is a company established in the PRC, wholly-owned by China International Capital Corporation Limited(中國國際金融股份有限公司), a joint stock company with limited liability established in the PRC, the A Shares of which have been listed on Shanghai Stock Exchange (stock code: 601995.SZ) and the H shares of which have been listed on the Stock Exchange (stock code: 3908.HK).

Zhongjin Yibin has two limited partners, namely Yibin Development Venture Capital Co., Ltd. (宜賓發展創投有限公司 "**Yibin Development**", holding approximately 99.0% partnership interest in Zhongjin Yibin) and Yibin Gangxin Asset Management Co., Ltd.(宜賓港信資產管理有限公司, holding

approximately 0.2% partnership interest in Zhongjin Yibin). Yibin Development is a limited company established in the PRC, which is indirectly owned by the SASAC of Yibin Municipal Government (宜賓市政府國有資產監督管理委員會) and Sichuan Provincial Department of Finance (四川省財政廳) as to 90.0% and 10.0%, respectively.

2. Chengdu Dingyi

Chengdu Dingyi is a limited partnership investment fund established in the PRC on August 2, 2024, which is principally engaged in equity investment.

The general partner of Chengdu Dingyi is Chengdu Hongding Equity Investment Fund Management Co., Ltd. (成都紅鼎股權投資基金管理有限公司), which is indirectly wholly-owned by Song Jiajun (宋佳駿) and Song Fenyang (宋玢陽) as to 80.0% and 20.0%, respectively.

Chengdu Dingyi has four limited partners. Save as Sichuan Junfeng Industry Co., Ltd. (四川駿豐實業有限公司 "**Sichuan Junfeng**", holding approximately 58.9% partnership interest in Chengdu Dingyi), none of these limited partners holds 30% or more of partnership interests in Chengdu Dingyi. Sichuan Junfeng is a limited company established in the PRC, which is owned by Song De'an (宋德安) and Dai Lingying (戴玲英) as to 51.0% and 49.0%, respectively.

Song Jiajun, Song Fenyang, Song De'an and Dai Lingying are individual investors focusing on investments in emerging and fast-growing sectors in the PRC. Save as their indirect interest in our Company, each of them has no other connected relationship with our Group.

3. Southeast Tech Innovation

Southeast Tech Innovation is a limited partnership investment fund established in the PRC on December 9, 2022, which is principally engaged in equity investment.

The general partners of Southeast Tech Innovation are Nanjing Southeast Investment Fund Management Co., Ltd. (南京東南投資基金管理有限公司 "**Southeast Investment**") and Shanghai Harvest Investment Management Ltd. (上海稼沃投資有限公司 "**Shanghai Harvest**"). Southeast Investment is a company established in the PRC, which is owned by the SASAC of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會); Shanghai Harvest is a company established in the PRC, which is wholly owned by Li Bin (李斌) an individual investor focusing on investments in emerging and fast-growing sectors in the PRC and is an Independent Third Party (other than his indirect interest in our Company).

Southeast Tech Innovation has two limited partners, namely Nanjing Jiawo Shantian Venture Capital Partnership (Limited Partnership)(南京稼沃善田創業投資合夥企業(有限合夥)"**Jiawo LLP**", holding approximately 69.0% partnership interest in Southeast Tech Innovation) and Nanjing Southeast State Investment Group Co., Ltd. (南京東南國資投資集團有限責任公司 "**Nanjing SSI**", holding approximately 29.0% partnership interest in Southeast Tech Innovation). Jiawo LLP is a limited partnership investment fund established in the PRC with Shanghai Harvest acts as its sole general partner. Nanjing SSI is a limited company established in the PRC, which is owned by the SASAC of Nanjing Municipal Government (南京市人民政府國有資產監督管理委員會).

Conversion into a joint stock company

On December 18, 2022, our then Shareholders passed resolutions approving, among others, (i) the conversion of our Company from a limited liability company into a joint stock company with limited liability; (ii) the conversion of our Company's audited net assets value in an amount of RMB988,016,875.15 as of October 31, 2022 into 224,545,565 Shares with a nominal value of RMB1.0

each, which shall be issued to the then Shareholders in proportion to their respective equity interests in the registered capital of our Company prior to such conversion; (iii) the remaining net assets value was credited as capital reserves of our Company; and (iv) the change our Company's Chinese name from "江西銅博科技有限公司" to "江西銅博科技股份有限公司". Such conversion was completed on December 20, 2022.

Our PRC Legal Advisor has confirmed that all the required consents, approvals, authorization or filings in relation to the changes of our shareholding described above have been made and obtained and the aforesaid changes of our shareholding have been properly and legally completed in accordance with the applicable PRC laws and regulations.

2025 Equity Transfer

On December 11, 2025, Mr. Li Siyang and Guangdong Huatai entered into a share transfer agreement, pursuant to which Mr. Li Siyang has agreed to transfer 4,652,600 Shares, representing approximately 2.0% of the issued share capital of our Company, to Guangdong Huatai at a consideration of RMB80.0 million (the "**2025 Equity Transfer**"). The consideration of the 2025 Equity Transfer was determined based on arm's lengths negotiations between the parties with reference to the business operation and financial conditions of our Group at the time, business prospects of our Group and the overall prospects of the industry in which our Group operates in. The consideration of 2025 Equity Transfer was irrevocably settled on December 12, 2025. No special right was granted to Guangdong Huatai or its ultimate beneficial owners. We consider the 2025 Equity Transfer did not constitute an investment in our Company from commercial perspective, mainly because (i) Guangdong Huatai acquired our Shares prior through a private transaction with Mr. Li Siyang, where our Group was neither a party to the transaction, nor participated in the negotiation (in particular, the determination of the consideration) of the 2025 Equity Transfer; and (ii) our Group did not receive any proceeds from the 2025 Equity Transfer.

Guangdong Huatai is a limited partnership investment fund established in the PRC on November 27, 2025, which is principally engaged in equity investment. The partnership interests of Guangdong Huatai is owned by three individuals, namely Jin Changjiang（金長江, being the general partner of Guangdong Huatai), Liu Chengyi（劉承毅, being a limited partner of Guangdong Huatai) and Zhong Ranxian（鐘然先, being a limited partner of Guangdong Huatai), as to 62.5%, 25.0% and 12.5%, respectively. Save as their indirect interest in our Company, each of Jin Changjiang, Liu Chengyi and Zhong Ranxian had no other connected relationship with our Group.

CONCERT PARTY ARRANGEMENTS

To consolidate the voting rights and for the benefit of our long-term development, on December 1, 2019, Mr. Li Xianyang and Mr. Li Siyang entered into a concert party agreement, which was further supplemented by a supplemental agreement in May 9, 2023 (collectively, the "**Concert Party Arrangements**").

Pursuant to the Concert Party Agreements, Mr. Li Xianyang and Mr. Li Siyang (for themselves and on behalf of entities controlled by them) agreed that they shall act in concert with respect to, *inter alia*, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of the first 36-month period from the date of the **[REDACTED]** of the Shares. In particular, among others, Mr. Li Xianyang and Mr. Li Siyang have agreed that (i) they shall reach consensus before voting unanimously at the general meetings of our Company; (ii) in the event that consensus cannot be reached, Mr. Li Siyang shall follow the instruction of Mr. Li Xianyang;

and (iii) in the event that either of the parties to the Concert Party Agreements fail to attend general meetings or board meeting, he shall entrust the other party to the Concert Party Agreements to vote at such meetings.

As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Li Xianyang and Mr. Li Siyang are collectively entitled to exercise the voting rights of approximately 64.0% of the total issued share capital of our Company, among which, Mr. Li Xianyang is entitled to exercise voting rights underlying approximately 39.3% of the total issued share capital of our Company through his direct interest in 91,545,000 Shares; and Mr. Li Siyang is entitled to exercise voting rights underlying approximately 24.7% of the total issued share capital of our Company through his direct interest in 57,375,209 Shares.

In addition, Mr. Li Siyang is also the executive partner of Zhuhai Xinyan, a limited liability partnership holding 16,451,879 Shares, representing approximately 7.1% of the total issued share capital of the Company as of the Latest Practicable Date.

In light of the above, Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan are considered as a group of Controlling Shareholders. See "Relationship with our Controlling Shareholders" for details.

OUR PRINCIPAL SUBSIDIARIES

Our Company is headquartered in Fuzhou, Jiangxi Province. As of the date of this document, our Company has four subsidiaries, namely Shengeng Tongbo, Sichuan Tongbo, Tongbo Materials and Ji'an Tongbo, all of them are located in the PRC. Among these subsidiaries, Shengeng Tongbo made material contribution to our financial and operation results during the Track Record Period. Details of Shengeng Tongbo are tabulated as below:

Name	Principal business activities	Date and place of establishment	Ownership by our Group
Shengeng Tongbo	R&D and manufacturing of electrolytic copper foil	January 10, 2020	92.0%

Establishment and early development

Shengeng Tongbo is a company established in the PRC with limited liability on January 10, 2020. At the time of establishment, the registered capital of Shengeng Tongbo was RMB50.0 million, owned by Mr. Li Chaoshen (李潮深, the father of Mr. Li Xianyang and Mr. Li Siyang), Wang Sungen (王孫根, the then vice chairman of Shengeng Tongbo), Fuzhou Xinrude Management Consulting Center (Limited Partnership)(撫州市新儒德管理諮詢中心(有限合夥), which was ultimately owned by Chen Peidian (陳培錮, an employee of our Group)) and Xu Shumin (徐樹民, the then manager of Shengeng Tongbo) as to 59.0%, 18.0%, 13.0% and 10.0%, respectively.

Shengeng Tongbo has been engaged in the R&D and manufacturing of electrolytic copper foil since its establishment. With the continuous business expansion of Shengeng Tongbo, Mr. Li Xianyang and Mr. Li Siyang decided to have a greater control over Shengeng Tongbo to facilitate its decision-making process relating to business expansion. As a result, Mr. Li Xianyang and Mr. Li Siyang acquired the entire equity interest of Shengeng Tongbo in May 2021. The consideration of the abovementioned acquisitions was determined based on the business operation, financial performance and prospects of Shengeng Tongbo at the relevant time. In August 2021, the registered capital of Shengeng Tongbo increase from RMB50.0 million to RMB126.0 million, with the increased RMB76.0 million registered

capital subscribed by Mr. Li Xianyang. Upon the completion of the abovementioned equity changes, Shengeng Tongbo was owned by Mr. Li Xianyang and Mr. Li Siyang as to approximately 92.9% and 7.1%, respectively.

Acquisition by our Company and further capital contribution

To streamline our corporate structure and to avoid potential competition, in September 2021, Mr. Li Xianyang and Mr. Li Siyang transferred their equity interest in Shengeng Tongbo into our Company. See "Corporate Development of our Company — Early equity transfers and equity increase" above for details. Upon the completion of the abovementioned equity changes, Shengeng Tongbo became a wholly-owned subsidiary of our Company.

In September 2021, the registered capital of Shengeng Tongbo increased from RMB126.0 million to RMB248.8 million, and further increased to RMB476.8 million in February 2023, with all of the increased registered capital subscribed by our Company.

Investment from Fuzhou Caitou

On July 2, 2025, the registered capital of Shengeng Tongbo increased from RMB476.8 million to approximately RMB541.8 million, with the increased registered capital of RMB65,018,181.82 subscribed by Fuzhou High Tech Zone Caitou Technology Industry Investment Fund (Limited Partnership)(撫州高新區財投科技產業投資基金(有限合夥)"**Fuzhou Caitou**") and our Company as to RMB43,345,454.55 and RMB21,672,727.27 at a consideration of RMB200.0 million and RMB100.0 million, respectively, determined after arm's length negotiation amongst Shengeng Tongbo, our Company and Fuzhou Caitou after taking into consideration of the timing of the investments, the status of business operations and financial performance of Shengeng Tongbo and in particular, the construction, development and production status of its electrolytic copper foil projects. Upon the completion of the abovementioned capital increase, Shengeng Tongbo was owned by our Company and Fuzhou Caitou as to 92.0% and 8.0%, respectively.

Fuzhou Caitou is a limited partnership investment fund established in the PRC on April 21, 2025, which is principally engaged in equity investment. The general partner of Fuzhou Caitou is Fuzhou New Open Source Fund Management Co., Ltd.(撫州新開源基金管理有限公司), which is wholly-owned by Fuzhou High Tech Zone Caitou Group Co., Ltd.(撫州高新區財投集團有限公司 "**Caitou Group**", which is also the only limited partner of Fuzhou Caitou). Caitou Group is ultimately owned by the SASAC of Fuzhou Municipal Government(撫州市政府國有資產監督管理委員會).

PREVIOUS A-SHARE LISTING PLAN

In view of the growing potential of the A-Share market, our Company previously considered the possibility of seeking an **[REDACTED]** on the Growth Enterprise Market Board of the Shenzhen Stock Exchange in the A-Share market in the PRC (the "**A-Share Listing Plan**").

In light of the A-Share Listing Plan:

(i) in 2021 and 2023, our Company entered into a cooperation framework agreement and a tutoring agreement (collectively, the "**Haitong Agreements**") with Haitong Securities Co., Ltd.(海通證券股份有限公司)("**Haitong**") as the tutoring institution. In February 2023, our Company made a preliminary tutoring filing(上市輔導備案)with the Jiangxi Office of the CSRC(中國證券監督管理委員會江西監管局)(the "**First Tutoring Filing**"). In August 2023, due to the change of working arrangements related to the A-Share Listing Plan, Haitong Agreements were mutually terminated by our Company and Haitong; and

(ii) in August 2023, our Company entered into a tutoring agreement (the "**Sinolink Tutoring Agreement**") with Sinolink Securities Co., Ltd.(國金證券股份有限公司)("**Sinolink**") as the tutoring institution and made the second preliminary tutoring filing with the Jiangxi Office of the CSRC (the "**Second Tutoring Filing**", together with the First Tutoring Filing, collectively referred to as the "**Tutoring Filings**").

The Tutoring Filings did not constitute any listing application. During the tutoring period in preparation for the A-Share Listing Plan, we did not encounter any disagreements with any of the professional parties participated in the A-share Listing Plan, including the departing professional parties, or the relevant securities regulatory authorities.

To further expand our global business and considering that the Hong Kong Stock Exchange would provide us with an international platform to access foreign capital and attract diverse overseas investors, the Company voluntarily decided to pursue a **[REDACTED]** in Hong Kong. As a result, in May 2024, our Company and Sinolink voluntarily terminated the Sinolink Tutoring Agreement.

Further, in October 2025, we resolved to apply for the **[REDACTED]** on the Stock Exchange. As of the Latest Practicable Date, we have neither filed any formal A-share listing application with, nor received any material comments or inquiries from the relevant securities regulatory authorities.

Our Company is not aware of any matters that in relation to the A-Share Listing Plan that would affect the Company's suitability for **[REDACTED]** the Stock Exchange or would need to be brought to the attention of the Stock Exchange and/or potential **[REDACTED]** of the Company.

Based on the information and representation given by the Company and the Directors, and the due diligence steps undertaken by the Sole Sponsor (including, but not limited to, conducting due diligence interviews with the professional parties involved in the A-share Listing Plan and reviewing Company's relevant agreements with such professional parties), the Sole Sponsor concurs with the Directors' foregoing view.

[REDACTED]

[REDACTED]

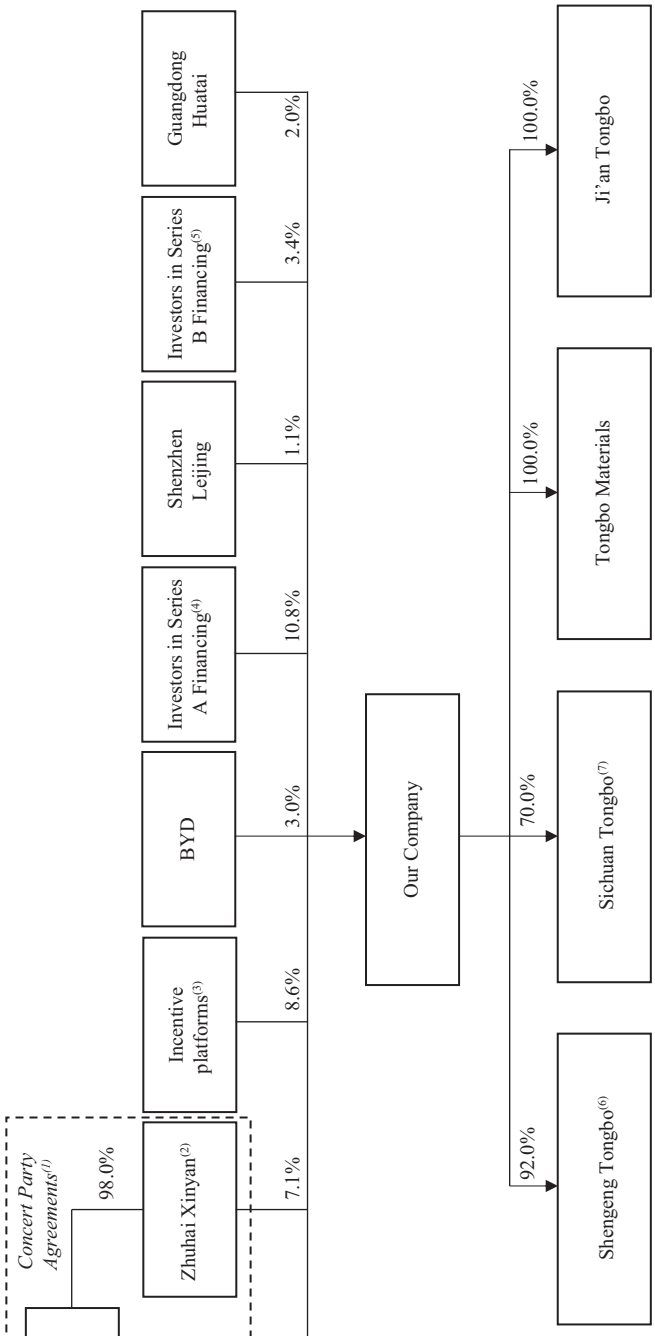
CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company immediately upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):

Name of Shareholder	Description of Shares	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Li Xianyang	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Mr. Li Siyang	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Zhuhai Xinyan	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Tong Chuang	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Tong Xin	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Tong De	H Shares	**[REDACTED]**	**[REDACTED]**%
	Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
Yibin Chendao	H Shares	**[REDACTED]**	**[REDACTED]**%
BYD	H Shares	**[REDACTED]**	**[REDACTED]**%
Xiamen Huiyou	H Shares	**[REDACTED]**	**[REDACTED]**%
Jinhua Jinkai	H Shares	**[REDACTED]**	**[REDACTED]**%
Huiyou Venture	H Shares	**[REDACTED]**	**[REDACTED]**%
Chaoxing Venture	H Shares	**[REDACTED]**	**[REDACTED]**%
Chuangqi Kaiying	H Shares	**[REDACTED]**	**[REDACTED]**%
Fuzhou Gaoxing	H Shares	**[REDACTED]**	**[REDACTED]**%
Shenzhen Leijing	H Shares	**[REDACTED]**	**[REDACTED]**%
Zhongjin Yibin	H Shares	**[REDACTED]**	**[REDACTED]**%
Chengdu Dingyi	H Shares	**[REDACTED]**	**[REDACTED]**%
Southeast Tech Innovation	H Shares	**[REDACTED]**	**[REDACTED]**%
Guangdong Huatai	H Shares	**[REDACTED]**	**[REDACTED]**%
Public	H Shares	**[REDACTED]**	**[REDACTED]**%
	Total	**[REDACTED]**	**100.0%**

CORPORATE STRUCTURE

The chart below sets out the shareholding structure of our Group immediately prior to the completion of the **[REDACTED]**:



Notes:

(1) See "— Concert Party Arrangements" above in this section for details.

(2) Mr. Li Siyang acts as the general partner of Zhuhai Xinyan and holding 98.0% of its partnership interest. The remaining 2.0% partnership interest is held by Ms. Chen Yingdan, the spouse of Mr. Li Siyang, in her capacity as a limited partner of Zhuhai Xinyan.

(3) Include Tong Chuang, Tong Xin and Tong De, holding approximately 4.0%, 3.9% and 0.7% of the issued share capital of our Company, respectively.

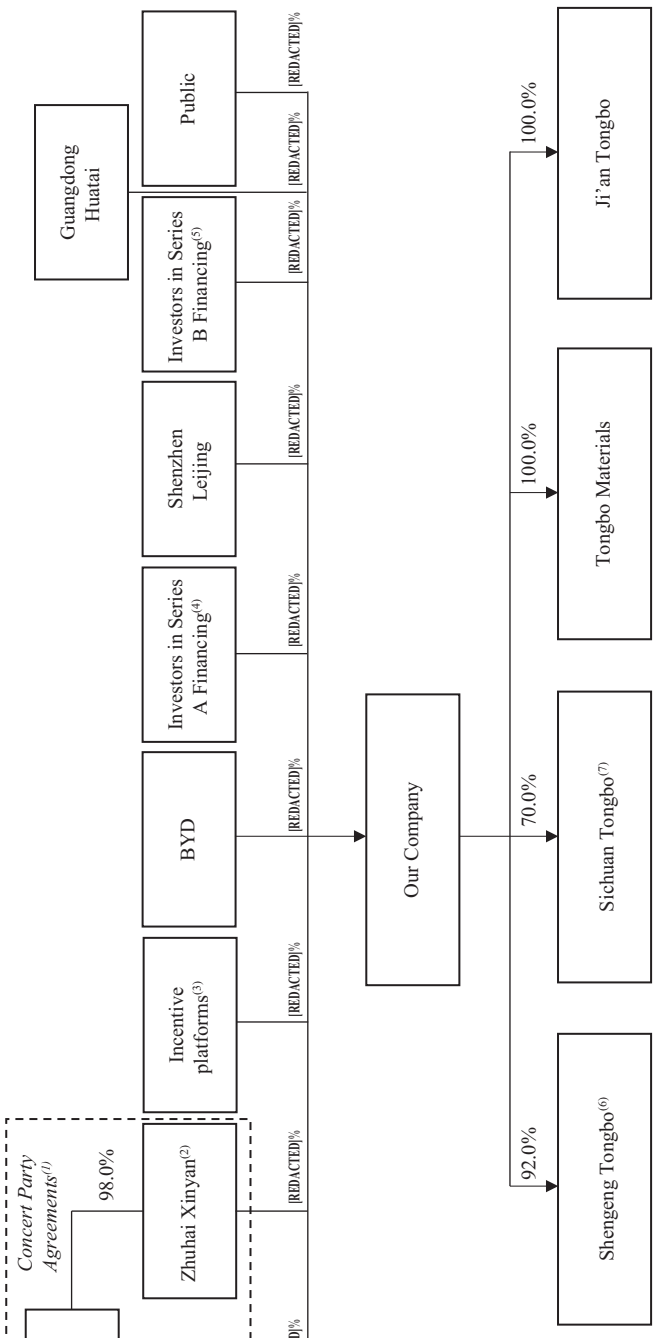
(4) Include Yibin Chendao, Xiamen Huiyou, Jinhua Jinkai, Huiyou Venture, Thriving Capital, Chuangqi Kaiying and Fuzhou Gaoxing, holding approximately 3.1%, 1.7%, 1.7%, 0.5%, 0.3%, 0.02% and 3.4% of the issued share capital of our Company, respectively.

(5) Include Zhongjin Yibin, Chengdu Dingyi and Southeast Tech Innovation, holding approximately 1.5%, 1.0% and 0.9% of the issued share capital of our Company, respectively.

(6) The remaining 8.0% equity interest of Shengeng Tongbo is held by Fuzhou Caitou. See "— Our Principal Subsidiaries — Investment from Fuzhou Caitou" above in this section for details.

(7) The remaining 30.0% equity interest of Sichuan Tongbo is held by Yibin Luolong Industrial Concentration Zone Investment Group Co., Ltd.(宜賓羅龍工業集中區投資集團有限責任公司), a limited company established in the PRC with limited liability, which is ultimately owned by the SASAC of Yibin Municipal Government(宜賓市政府國有資產監督管理委員會), Sichuan Provincial Department of Finance(四川省財政廳) and Yibin Nanxi District State-owned Assets Management Service Center(宜賓市南溪區國有資產管理服務中心).

The chart below sets out the shareholding structure of our Group immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Notes:

(1) See "— Concert Party Arrangements" above in this section for details.

(2) Mr. Li Siyang acts as the general partner of Zhuhai Xinyan and holding 98.0% of its partnership interest. The remaining 2.0% partnership interest is held by Ms. Chen Yingdan, the spouse of Mr. Li Siyang, in her capacity as a limited partner of Zhuhai Xinyan.

(3) Include Tong Chuang, Tong Xin and Tong De, holding approximately **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the issued share capital of our Company, respectively.

(4) Include Yibin Chendao, Xiamen Huiyou, Jinhua Jinkai, Huiyou Venture, Thriving Capital, Chuangqi Kaiying and Fuzhou Gaoxing, holding approximately **[REDACTED]**%, **[REDACTED]**%, **[REDACTED]**%, **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the issued share capital of our Company, respectively.

(5) Include Zhongjin Yibin, Chengdu Dingyi and Southeast Tech Innovation, holding approximately **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the issued share capital of our Company, respectively.

(6) The remaining 8.0% equity interest of Shengeng Tongbo is held by Fuzhou Caitou. See "— Our Principal Subsidiaries — Investment from Fuzhou Caitou" above in this section for details.

(7) The remaining 30.0% equity interest of Sichuan Tongbo is held by Yibin Luolong Industrial Concentration Zone Investment Group Co., Ltd.(宜賓羅龍工業集中區投資集團有限責任公司), a limited company established in the PRC with limited liability, which is ultimately owned by the SASAC of Yibin Municipal Government(宜賓市政府國有資產監督管理委員會), Sichuan Provincial Department of Finance(四川省財政廳) and Yibin Nanxi District State-owned Assets Management Service Center(宜賓市南溪區國有資產管理服務中心).

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[(i)] 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.

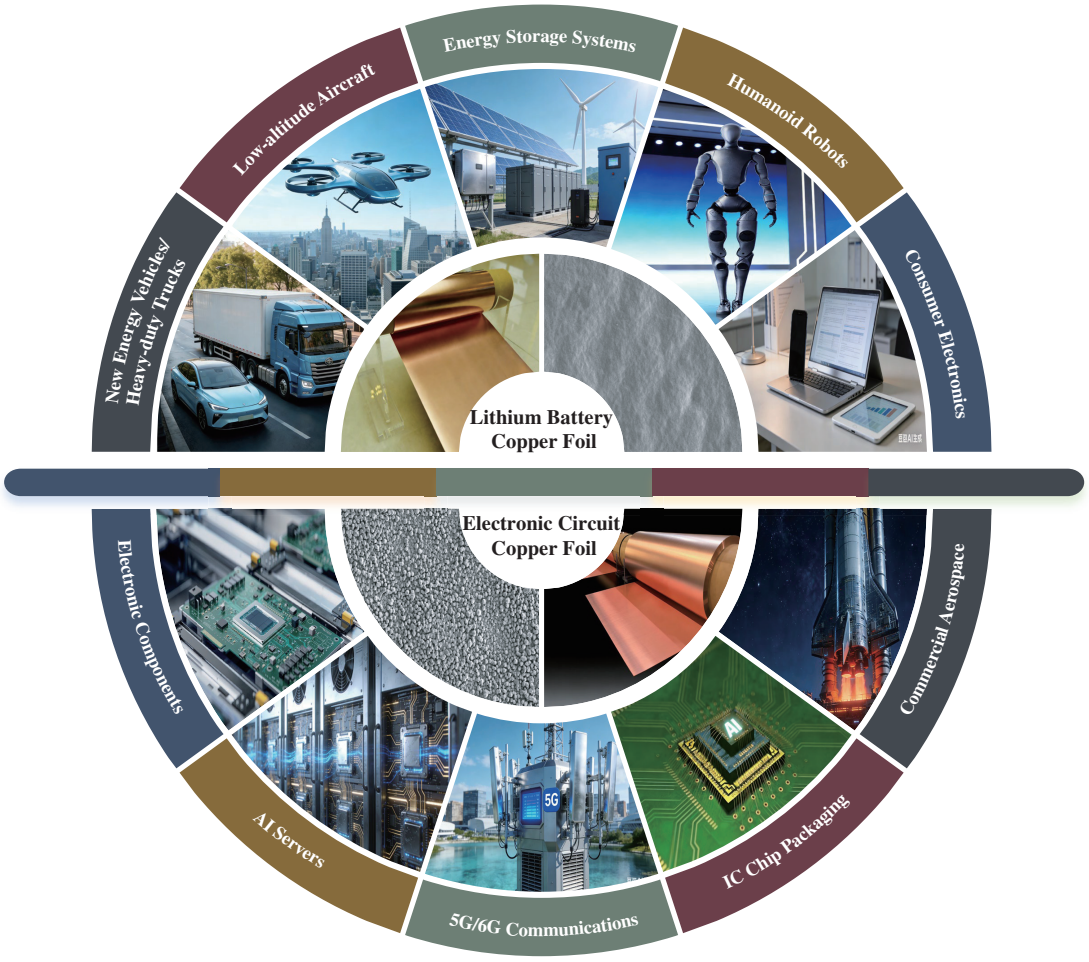
We leverage our technological foundation and industrial expertise to deliver customized solutions along with tailored products that address the evolving needs of various downstream customers operating in a wide array of application scenarios and industries. Our technological capabilities enable us to 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.

(i) *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.*

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

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 4μm to 10μm. We supply standard 6μm-10μm 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 3μm-5μm foils engineered to maximize battery energy density, and customized 6μm-10μm 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 10μm to 70μm, 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.

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.

Date	Lithium Battery Copper Foil Product	Types of Products (Standard/ High-performance)	Main Characteristics
May 2018	8/6 μm ultra-thin copper foil	Standard	Mature production technology for 8/6 μm ultra-thin copper foil; tensile strength ≥ 300 MPa, elongation ≥ 3%
January 2019	5 μm extreme-ultra-thin copper foil	High-performance	Thickness reaching 5 μm ultra-thin level; tensile strength ≥ 300 MPa, elongation ≥ 2.5%; no discoloration or striping surface defects
February 2021	4.5 μm extreme-ultra-thin copper foil	High-performance	Thickness reaching 4.5 μm ultra-thin level; tensile strength 330-390 MPa, elongation ≥ 3.5%; stable support
January 2022	6/5 μm medium-strength high-elongation copper foil	High-performance	Proprietary additive formulation to support tensile strength 400-450 MPa, elongation ≥ 5%; no discoloration or striping surface defects
March 2024	4.5 μm super-high-strength copper foil	High-performance	Tensile strength ≥ 600 MPa, elongation ≥ 3%; stable for mass production and volume supply; intended for UAV scenarios
August 2024	6 μm ultra-high-strength copper foil	High-performance	Proprietary additive formulation to support tensile strength ≥ 700 MPa, elongation ≥ 5%; stable for mass production and volume supply.
August 2024	6 μm ultra-high-strength copper foil	High-performance	Proprietary additive formulation to support tensile strength ≥ 800 MPa, elongation ≥ 3%; sample production completed
May 2025	3 μm super-high-strength copper foil	High-performance	Proprietary additive formulation to support tensile strength ≥ 600 MPa, elongation ≥ 3%; sample production completed
May 2025	3.5 μm ultra-high-strength copper foil	High-performance	Proprietary additive formulation to support tensile strength ≥ 700 MPa, elongation ≥ 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 ≥ 1500 MPa, elongation ≥ 3%; sample production completed
July 2025	4 μm super-high-strength copper foil	High-performance	Tensile strength ≥ 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.

Date	Electronic Circuit Copper Foil Product	Main Characteristics
April 2018	Standard copper foil (STD copper foil)	Thickness ranging mainly from 12 to 70 μm; 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 μm; finer, more uniform tooth texture; stable performance; mainly for PCB and CCL
February 2020. . .	LP copper foil	Thickness ranging mainly from 12 to 22 μm; 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 μm; processed surface roughness Rz ≤ 3.0 μm; 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 μm; compressed surface roughness Rz ≤ 2.0 μm; 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 μm; processed surface roughness Rz ≤ 2.3 μm; 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 μm; processed surface roughness Rz ≤ 2.1 μm; 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 μm; compressed surface roughness Rz ≤ 1.5 μm; 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 μm; processed surface roughness Rz ≤ 1.0 μm; samples delivered to customers successfully validated.
February 2026. . .	HVLP4 copper foil	Processed surface roughness Rz ≤ 0.8 μm; samples sent to a global leading flexible CCL manufacturer for approval into their supply chain

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

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

"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.

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 HVLP1-4, 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

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

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.

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,

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.

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.

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[(i)]	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.

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

Product Series/ 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	368,772	10.8
High-performance	239,326	7.6	1,880,659	58.6	2,887,572	68.5	1,191,489	66.1	2,671,319	78.5
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.

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.	• Fully communicate to understand customer needs: thinner copper foil is key to raising energy density. • 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. • Solution and measures: target thickness reaching 4.5 μm, and extremely high strengths (≥ 700 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.
II	Lab sample delivery, and iterative optimization.	• Prepare samples in size A4: optimize additive formulas and process parameters to meet customer physical property requirements. • Customer validation: comprehensive physical and electrochemical tests at the customer's lab and feedback provided. • Sample optimization: in response to customer feedback that increased strength led to greater brittleness, we adjusted additive ratios and process to reduce brittleness. • The project followed a "sample → test → feedback → optimize" closed loop. To date, we completed 4.5 μm ultra-high-strength foil (≥ 700 MPa) in trials and are iterating toward 4.0 μm.
III	Pilot production, production line trials, and joint validation . .	• Reel-sample production: ensure pilot reel production via process and equipment optimization. • 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.
IV	Capacity ramp-up and stable supply	After successful pilot trials, the customer integrated the custom 4.5 μm 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.

Conclusion

Through deep, customized collaboration, we successfully developed a 4.5 μm ultra-high-strength lithium battery copper foil meeting the UAV long-endurance requirements, and further iterated toward 4.0 μm. 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:

Product/Specifications	Primary Applications	Core Characteristics
Novel multi-metal current collector material; 6μm, ≥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; 5-10μm	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.

Product/Specifications	Primary Applications	Core Characteristics
Special ultra-thin copper foil; 3-4.5 μm, ≥700 MPa (after folding and rolling, ≥350 MPa), ≥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 μm, ≥330 MPa, coating thickness ≥0.05 μm. . . .	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 μm, ≥180 MPa, coating thickness ≥0.05 μm. . . .	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.

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.

Stage	Tasks	Solutions
I	Requirement analysis and specification definition	• Key targets for HVLP3 defined together with the customer: thickness: 18 μm; tensile strength: room temp ≥ 280 MPa, high temp ≥ 150 MPa; elongation: ≥ 6%; surface profile: Shiny surface-side Ra ≤ 0.3 μm, Matte surface-side Rz ≤ 1.0 μm; and peel strength: ≥ 0.5 N/mm. • 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. • 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.
II	Lab sample development and iterative optimization	• Prepare samples via additive formulas and process variants based on HVLP1 and HVLP2. • Sample improvement: we optimized process parameters and adjusted silane coupling agent formula to stabilize peel strength.
III	Pilot production and joint validation	• Reel-sample production: ensure pilot reel manufacture through process and equipment optimization. • Production line trials: observe foil behavior in pressing, etching and other processes, and optimize to reach expected production performance.
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

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 Rz ≤ 0.5 μm), optimized for the most demanding high-frequency and high-speed applications
Carrier copper foil series	IC package substrates, substrate-like PCBs, mSAP ("**Modified Semi-Additive Process**") 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

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

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 μm)	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 μm	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 (Rz ≤ 1.0 μm (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

No.	Core technology	Technology category	Key descriptions	Primary application
21.	HVLP4-5	Product	Advanced HVLP with target roughness (Rz ≤ 0.5 μm (HVLP5), Rz ≤ 0.8 μm (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 ≥700 MPa (after folding and rolling, ≥350 MPa) at 3-4.5 μm 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 ≥0.05 μm), 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.

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.

- ***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.

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.

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
Number of customers at the end of the period:	**94**	**93**	**105**	**87**

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.

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	As a percentage of our total revenue	Credit terms and settlement information	Commencement of business relationship
			(RMB'000)	*%*		
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
Total			**2,803,312**	**82.4%**		

Year Ended December 31, 2025

Customer	Background	Products sold by us	Revenue	As a percentage of our total revenue	Credit terms and settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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			**3,499,532**	**83.1%**		

Year ended December 31, 2024

Customer	Background	Products sold by us	Revenue	As a percentage of our total revenue	Credit terms and settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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
Total			**2,804,235**	**87.3%**		

Year ended December 31, 2023

Customer	Background	Products sold by us	Revenue	As a percentage of our total revenue	Credit terms and settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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
Total			**2,712,283**	**85.8%**		

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,

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 noval 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.

- ***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.

- ***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 HVLP1 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:

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

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.

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.

- ***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.

Six Months Ended June 30, 2026

Supplier	Background	Major products purchased by us	Amount of purchase	As a percentage of our total purchase	Credit terms and settlement information	Commencement of business relationship
			(RMB'000)	*%*		
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			**2,395,780**	**61.7%**		

Year Ended December 31, 2025

Supplier	Background	Major products purchased by us	Amount of purchases	As a percentage of our total purchases	Credit terms and Settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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
Total			**2,104,629**	**54.6%**		

Year ended December 31, 2024

Supplier	Background	Major products purchased by us	Amount of purchases	As a percentage of our total purchases	Credit terms and Settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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
Total			**2,474,788**	**89.9%**		

Year ended December 31, 2023

Supplier	Background	Major products purchased by us	Amount of purchases	As a percentage of our total purchases	Credit terms and Settlement information	Commencement of Business Relationship
			(RMB'000)	*(%)*		
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
Total			**2,384,830**	**94.9%**		

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 ended June 30,	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026	2023	2024	2025	2026
	Revenue				Purchases			
	(RMB'000)				*(RMB'000)*			
Customer A/Supplier B [(i)]	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
Total	**1,549,886**	**1,997,404**	**2,498,532**	**1,937,316**	**1,374,937**	**1,101,271**	**1,196,438**	**506,060**

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.

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

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:

		Years ended December 31,										Six months ended June 30,					
		2023			2024			2025				2025			2026		
Name of production base	Location	Production volume of raw foil[1]	Production capacity of raw foil[2]	Utilization rate[3]	Production volume of raw foil[1]	Production capacity of raw foil[2]	Utilization rate[3]	Production volume of raw foil[1]	Production capacity of raw foil[2]	Utilization Rate[3]	Production volume of raw foil[1]	Production capacity of raw foil[2]	Utilization rate[3]	Production volume of raw foil[1]	Production capacity of raw foil[2]	Utilization rate[3]
		(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:

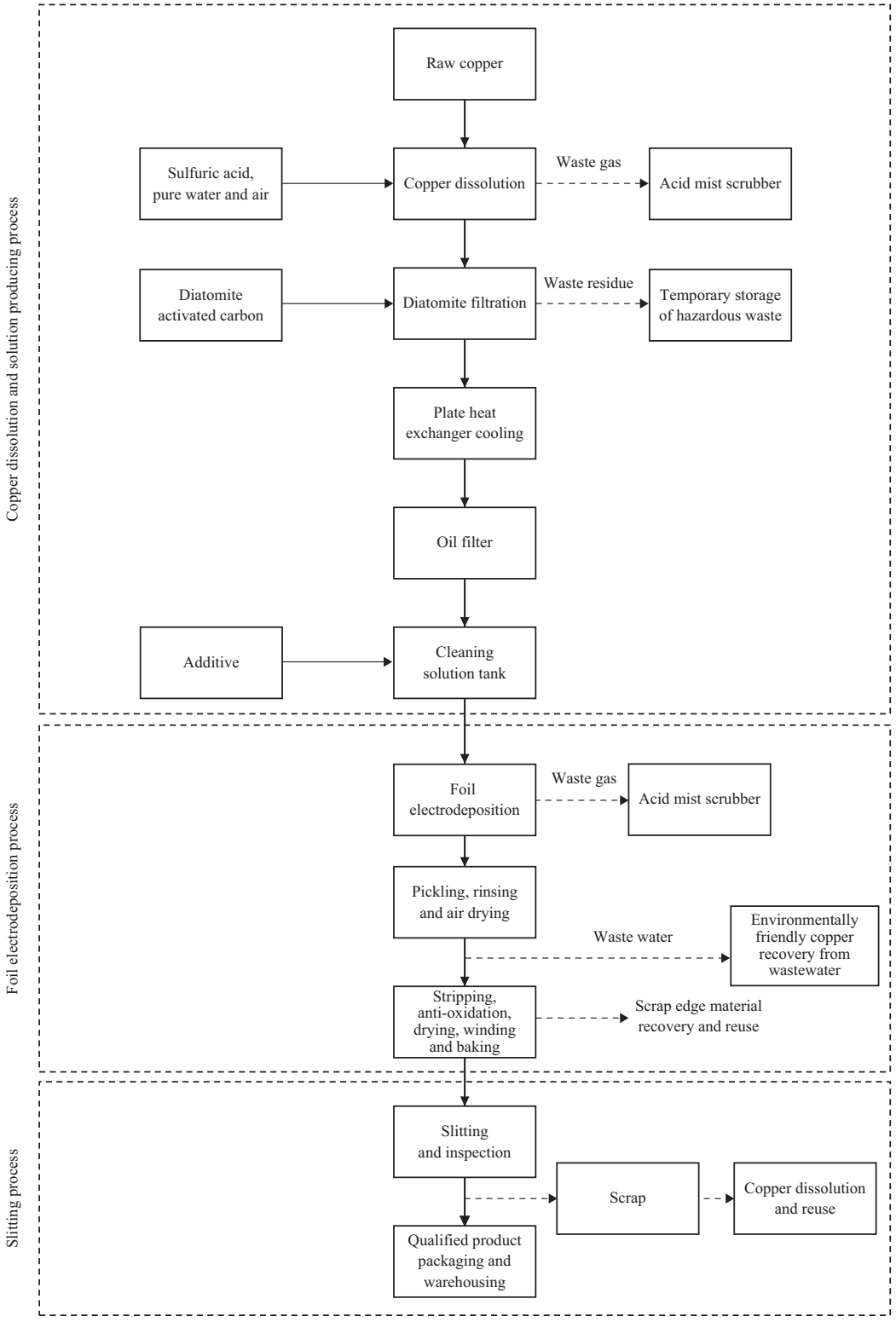
1. *Total production volume refers to actual output of our raw foil, which is copper foil blanks that have not undergone surface treatment or have only been preliminarily rolled requiring subsequent cleaning, degreasing, roughening and other treatments to meet end-use process requirements, for the relevant 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.

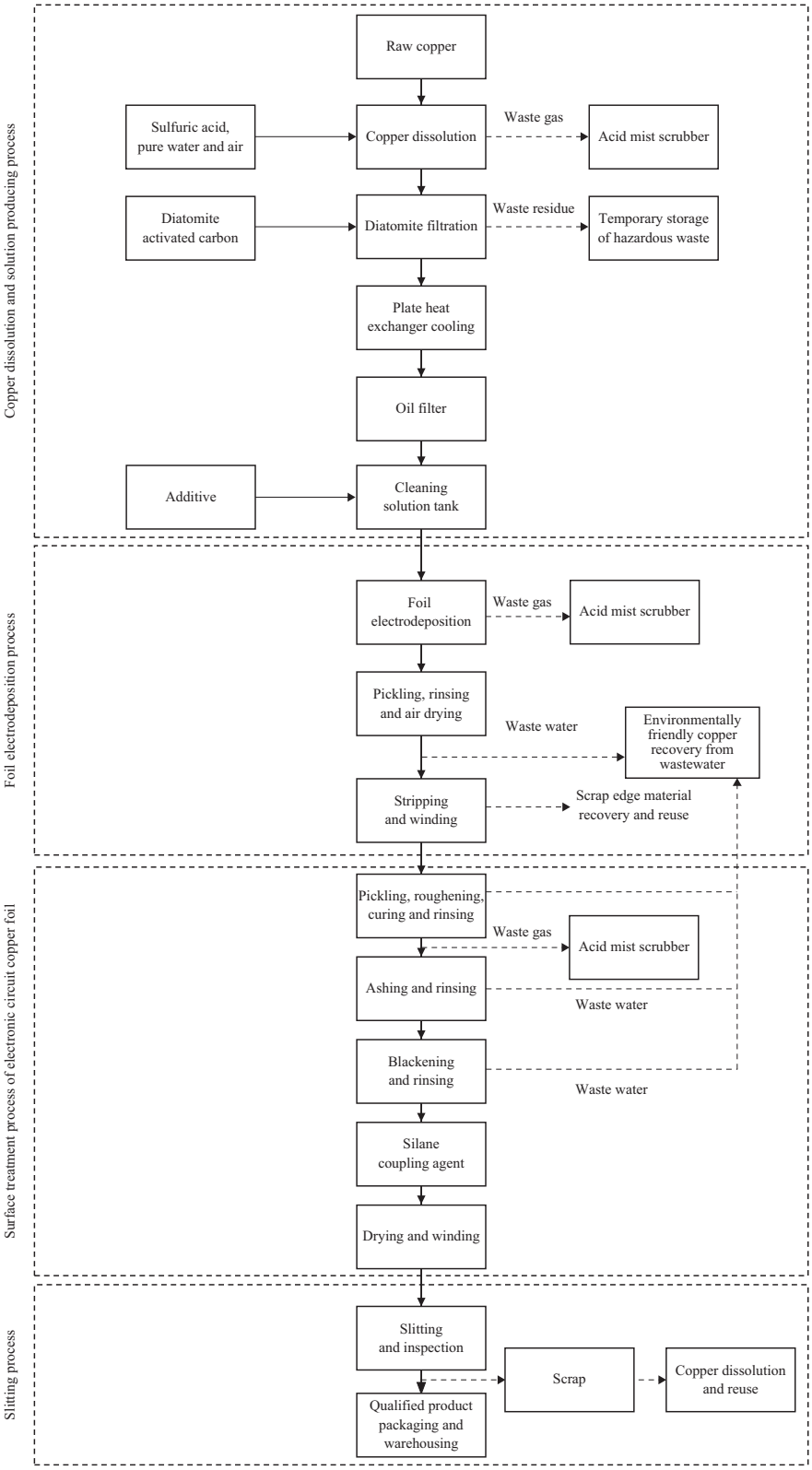
Manufacturing Process

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.

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



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



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.

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.

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

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.

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:

Name of IT system	Description of functions
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.

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 Employees	% of total 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
Total	**1,777**	**100.0%**

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.

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); Department of Finance, Jiangxi Province (江西省財政廳); 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); Department of Finance, Jiangxi Province (江西省財政廳); 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

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.

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

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:

Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
Environmental Risks		
Greenhouse gas ("**GHG**") 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.

Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
Social Risks		
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.
Governance Risks		
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.

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

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 six months ended 30 June	For the Year ended December 31,		
Key Performance Indicator		**Unit**	**2026**	**2025**	**2024**	**2023**
Energy Consumption						
Direct energy consumption	Diesel	MWh	26.43	40.95	36.96	39.08
	Petrol	MWh	459.68	993.30[(1)]	676.05	714.86
	Natural gas	MWh	26,752.95	40,819.33	27,523.80	30,627.44
Purchased 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 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:

GHG Emissions[1]		For the six months ended 30 June	For the Year ended December 31,		
Key Performance Indicator	Unit	2026	2025	2024	2023
Direct (Scope 1) GHG emissions	Tonnes of carbon dioxide equivalent (tCO_2e)	5,719.67	8,807.56[2]	5,942.83	6,602.14
Energy indirect (Scope 2) GHG emissions	tCO_2e	156,447.10	298,428.42	301,983.09	335,594.76
Other indirect (Scope 3) GHG emissions	tCO_2e	288.17	482.94	408.99	668.16
Total GHG emissions (Scope 1, 2 and 3)	tCO_2e	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 six months ended 30 June	For the Year ended December 31,		
Key Performance Indicator	Unit	2026	2025	2024	2023
Total water consumption	m^3	822,449.00	1,332,515.00	1,091,530.00	1,284,206.00
Total sewage discharge	m^3	353,139.75	496,130.26	499,971.84	411,761.78[1]

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.

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

Waste		For the six months ended 30 June	For the Year ended December 31,		
Key Performance Indicator	Unit	2026	2025	2024	2023
Non-hazardous waste	tonnes	474.77	363.64	130.76[(1)]	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 (《劳動人事管理制度》), 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[1] of 24%[2], 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

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.

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.

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.

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.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Pursuant to the Concert Party Agreements, Mr. Li Xianyang and Mr. Li Siyang (for themselves and on behalf of entities controlled by them) agreed that they shall act in concert with respect to, *inter alia*, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of the first 36-month period from the date of the **[REDACTED]** of the Shares. See "History, Development and Corporate Structure — Concert Party Arrangements" in this document for details.

As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Li Xianyang and Mr. Li Siyang are collectively entitled to exercise the voting rights of approximately 64.0% of the total issued share capital of our Company, among which, Mr. Li Xianyang is entitled to exercise voting rights underlying approximately 39.3% of the total issued share capital of our Company through his direct interest in 91,545,000 Shares; and Mr. Li Siyang is entitled to exercise voting rights underlying approximately 24.7% of the total issued share capital of our Company through his direct interest in 57,375,209 Shares. In addition, Mr. Li Siyang is also the executive partner of Zhuhai Xinyan, a limited liability partnership holding approximately 7.1% of the total issued share capital of the Company as of the Latest Practicable Date.

In light of the above, Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan are collectively entitled to exercise voting rights of approximately 71.1% of the total issued share capital of our Company as of the Latest Practicable Date, and are considered as a group of Controlling Shareholders.

Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Li Xianyang, Mr. Li Siyang and Zhuhai Xinyan will be collectively entitled to exercise voting rights underlying approximately **[REDACTED]**% of the total issued share capital of our Company, and hence they will remain as a group of Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Management independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board comprises four executive Directors, one non-executive Directors and four independent non-executive Directors.

(i) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(ii) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this document;

(iii) we have four independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum presenting at the relevant Board meeting; and

(v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see "— Corporate Governance Measures" below in this section.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, are able to perform the managerial role in our Group independently and capable of managing our business independently from the Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Operational independence

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates for the following reasons:

(i) our Group possesses sufficient capital, property, equipment, technology and human resources to operate its business independently, and holds all the relevant material licenses, qualifications, intellectual properties and permits required that are necessary for conducting our business;

(ii) our Group has an established and complete organizational structure, comprising various separate departments each charged with specific responsibilities;

(iii) our Group also has independent access to, among others, customers, suppliers and other resources required for our Group's business, and we operate our business independently, with independent rights to make and implement our operational decisions;

(iv) we maintain a set of internal control procedures to facilitate the effective operation of our business. See "Business — Internal Control and Risk Management" for details; and

(v) we have adopted a set of corporate governance practices and manuals, such as rules with respect to the shareholders' meeting, the board meeting, the board committees' meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

Financial independence

We have established our own finance department with a team of independent financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Controlling Shareholders. We can make financial decisions independently according to our business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders who do not intervene with our use of funds. We have also established an independent and sound audit system, a standardized financial and accounting system and a complete financial management system. We have sufficient capital and banking facilities to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. We will not rely on our Controlling Shareholders and their respective close associates for financing after the **[REDACTED]** and we will have sufficient working capital to operate our business independently.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

During the Track Record Period and up to the Latest Practicable Date, Mr. Li Xianyang, Mr. Li Siyang and their respective spouse have provided guarantees (the "**Guarantees**") for certain bank loans of our Group. See Note 34 to the Accountants' Report in Appendix I to this document and "Financial Information — Related Party Transactions" in this document for details. Notwithstanding the existence of the Guarantees, we believe that we are able to obtain new financing from independent financial institutions on normal commercial terms without reliance on our Controlling Shareholders and/or their respective close associates. We will release the Guarantees no later than the **[REDACTED]**.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. Our Company would adopt the following corporate governance measures to manage potential conflict of interests between our Group and the Controlling Shareholders and their respective close associates upon **[REDACTED]**:

(i) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(ii) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;

(iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(iv) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;

(v) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(vi) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(vii) we have appointed Innovax Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

BOARD OF DIRECTORS

Our Board of Directors consists of nine Directors, including four executive Directors, one non-executive Director and four independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business.

The following table sets out certain information about our Directors:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Directors	Roles and responsibility	Relationship with other Directors or senior management
Executive Directors						
Mr. Li Xianyang (李銜洋)	44	Chairman, executive Director and General Manager	October 2018	October 2018	Overall management, strategy planning and major decision-making of our Group	Elder brother of Mr. Li Siyang
Mr. Xie Changjiang (謝長江)	56	Executive Director and Deputy General Manager	March 2020	December 2022	Managing daily operations and research and development affairs of our Group	N/A
Mr. Tang Haifeng (唐海峰)	52	Executive Director and Deputy General Manager	October 2020	September 2021	Managing daily operations and technology and process affairs of our Group	N/A
Mr. Xu Hongbiao (徐紅彪)	39	Executive Director and Head of Quality Control	July 2022	December 2025	Managing daily operations and quality control affairs of our Group	N/A
Non-executive Director						
Mr. Li Siyang (李思洋)	36	Non-executive Director	August 2016	September 2021	Providing strategic advice to our business and operations	Younger brother of Mr. Li Xianyang
Independent non-executive Directors						
Dr. Wang Jinlan (汪金蘭)	59	Independent non-executive Director	December 2022	December 2022	Supervising and providing independent advice to our Board	N/A
Dr. Zhang Jiafeng (張佳峰)	41	Independent non-executive Director	December 2022	December 2022	Supervising and providing independent advice to our Board	N/A
Mr. Zhang Wei (張維)	40	Independent non-executive Director	October 2025	October 2025	Supervising and providing independent advice to our Board	N/A
Dr. Huang Hao (黃昊)	46	Independent non-executive Director	December 2025	December 2025	Supervising and providing independent advice to our Board	N/A

Executive Directors

Mr. Li Xianyang (李銜洋), aged 44, is our Chairman, executive Director and General Manager. Mr. Li has been acting as the Chairman, the General Manager and a Director since October 2018 and was re-designated as an executive Director in December 2025. Mr. Li is mainly responsible for the overall management, strategy planning and major decision-making of our Group. Mr. Li also acts as the chairman of board of directors and general manager of Shengeng Tongbo and Sichuan Tongbo, the director of Tongbo Materials, as well as the manager of Ji'an Tongbo. Mr. Li Xianyang is the elder brother of Mr. Li Siyang.

From March 2007 to June 2016, Mr. Li successively served as the sales manager and deputy general manager at Guangdong Jinguang High-tech Co., Ltd.(廣東金光高科股份有限公司)("**Jinguang High-tech**"), previously known as Shantou Jinguang High-tech Co., Ltd.(汕頭市金光高科有限公司)). From June 2016 to June 2019, Mr. Li acted as the chairman of the board of directors of Jinguang High-tech.

Mr. Li obtained his Bachelor's degree in business and commerce from University of Western Sydney in Sydney, Australia, in April 2007.

Mr. Li Xianyang was the legal representative, director and/or manager of the following companies which were established in the PRC and subsequently deregistered during his tenure:

Name of company	Position	Nature of business	Reason of deregistration	Date of deregistration
Guangdong Kaiwen Printing Co., Ltd.（廣東凱文印刷有限公司）.	Legal representative, executive director and manager	Cigarette label printing	Voluntary dissolved due to the cease of business operations	December 27, 2020
Guangdong Shanying Xiangli Investment Management Co., Ltd.（廣東善盈祥利投資管理有限公司）.	Legal representative, executive director and manager	Investment management	Voluntary dissolved due to the cease of business operations	October 16, 2018
Guangzhou Jinguang High Tech New Materials Co., Ltd.（廣州市金光高科有限公司）.	Legal representative and executive director	Provision of battery-charging services	Voluntary dissolved due to the cease of business operations	July 27, 2020
Jiangxi Tongbo Supply Chain Management Co., Ltd.（江西銅博供應鏈管理有限公司）.	Legal representative, executive director and general manager	Supply chain management	Voluntary dissolved due to the cease of business operations	June 7, 2023

Mr. Li Xianyang confirmed that (i) the above companies were deregistered due to the cease of business operations; (ii) the above companies were solvent and had not involved in any material non-compliances prior to deregistration; (iii) he is not aware of any actual or potential claim which has been or could potentially be made against him as a result of the deregistration of the above companies; and (iv) there was no wrongful act on his part leading to the deregistration of the above companies.

Mr. Li was also a director of the following companies incorporated in Hong Kong, which were dissolved during his tenure:

Name of Company	Nature of business	Date of dissolution	Company status
Sunny Express Investment Limited.	Investment holding	April 29, 2020	Dissolved by deregistration
Massy International Tobacco Limited	Investment holding	November 20, 2015	Dissolved by deregistration

To the best of our Directors' knowledge, information and belief, having made reasonable enquiries, there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on the part of Mr. Li involved in the dissolution of the aforementioned companies, and as at the Latest Practicable Date, there was no outstanding liability or ongoing claim or litigation against Mr. Li in his capacity as a director prior to their respective dissolution. Mr. Li also confirmed that to the best of his knowledge, the above companies were solvent at the time of their respective dissolutions.

Mr. Xie Changjiang(**謝長江**), aged 56, is the deputy general manager of our Company and one of the executive Directors, primarily responsible for managing daily operations and research and development affairs of our Group. Mr. Xie joined our Group in March 2020 and has been acting as the deputy general manager of our Company since then. He was appointed as a Director in December 2022 and was re-designated as an executive Director since December 2025. Mr. Xie also acts as a director of Sichuan Tongbo.

Prior to joining our Group, from June 1994 to September 2009, Mr. Xie worked as the manager of production department and quality department at Huizhou United Copper Foil Electronic Material Co., Ltd.(惠州聯合銅箔電子材料有限公司). From September 2009 to December 2019, Mr. Xie served as the deputy general manager at production department of Qinghai Electronic Material Industry Development Co., Ltd.(青海電子材料產業發展有限公司) as well as equipment department and quality department of Qinghai Nuode New Materials Co., Ltd.(青海諾德新材料有限公司).

Mr. Xie completed his management personnel training course at Qinghai University(青海大學) in Xining, Qinghai, in June 2013.

Mr. Tang Haifeng(**唐海峰**), aged 52, is the deputy general manager of our Company and one of the executive Directors, primarily responsible for managing daily operations and technology and process affairs of our Group. Mr. Tang joined our Group in October 2020 as the assistant to the Chairman. He was appointed as a Director in September 2021 and was re-designated as an executive Director since December 2025.

Prior to joining our Group, Mr. Tang served as the subsection chief at Suzhou Fukuda Metal Co., Ltd.(蘇州福田金屬有限公司) until March 2009. From April 2009 to February 2017, he served at Copper Foil Factory of Hefei Tongguan Electronic Copper Foil Co., Ltd.(合肥銅冠電子銅箔有限公司), previously known as Hefei Tongguan Guoxuan Copper Materials Co., Ltd.(合肥銅冠國軒銅材有限公司) with his last position as the assistant production manager. From March 2017 to September 2020, Mr. Tang worked at Jiangdong Electronic Materials Co., Ltd.(江東電子材料有限公司) with his last position as the manager of production technology department.

Mr. Tang graduated from Jiangsu Open University(江蘇開放大學), online course majoring in mechatronics technology, in Nanjing, Jiangsu, in July 2022.

Mr. Xu Hongbiao(**徐紅彪**), aged 39, is the head of quality control of our Company and one of the executive Directors, primarily responsible for managing daily operations and quality control affairs of our Group. Mr. Xie joined our Group in July 2022 and has been acting as the head of quality control of our Company and the person-in-charge of our Company's quality control and information center and Midas Sci-lab(點石實驗室). Mr. Xu was appointed as an executive Director in December 2025.

Prior to joining our Group, Mr. Xu worked at Ruyuan Dongyangguang UACJ Fine Aluminum Foil Co., Ltd.(乳源東陽光優艾希杰精箔有限公司), previously known as Ruyuan Dongyangguang Fine Aluminum Foil Co., Ltd.(乳源東陽光精箔有限公司). From January 2016 to March 2022, Mr. Xu acted as the senior battery cell process development engineer at CATL.

Mr. Xu obtained his Master's degree in engineering, majoring in material science, from Jiangxi University of Science and Technology(江西理工大學) in Ganzhou, Jiangxi, in June 2012.

Non-executive Director

Mr. Li Siyang(**李思洋**), aged 36, is our non-executive Director and the younger brother of Mr. Li Xianyang. Mr. Li Siyang joined our Group in 2016. He was appointed as a Director in 2021 and re-designated as a non-executive Director in December 2025. Mr. Li also acts as the deputy chairman of

the board of directors of Shengeng Tongbo. All positions held by Mr. Li Siyang within our Group were non-executive in nature. During the Track Record Period and up to the Latest Practicable Date, Mr. Li Siyang had always been responsible for providing strategic advice to our business and management, and had not participated in our daily operation or daily management. His redesignation as non-executive Director in December 2025 was in line with his roles and responsibilities and had no material impact on the business on development and operation of our Group.

Prior to joining our Group, from July 2010 to June 2019, Mr. Li Siyang successively served as the assistant to the general manager, the deputy general manager and the general manager of successively at Jinguang High-tech. Mr. Li Siyang has been acting as the chairman of the board of directors of Jinguang High-tech since June 2019.

Mr. Li graduated from Guangzhou University of Software (廣州軟件學院, previously known as Guangzhou University Huaruan Software College (廣州大學華軟軟件學院)), majoring in computer science, in Guangzhou, Guangdong, in June 2010.

Mr. Li Siyang was the legal representative and executive director of the following company which was established in the PRC and subsequently deregistered during his tenure:

Name of company	Position	Nature of business	Reason of deregistration	Date of deregistration
Zhejiang Jinguang High Tech New Materials Co., Ltd. (浙江金光高科新材料有限公司).	Legal representative and executive director	R&D, production and sales of lithium battery electrolyte	Voluntary dissolved due to cease of business operations	May 31, 2023

Mr. Li Siyang confirmed that (i) the above company was deregistered due to the cease of business operations; (ii) the above company was solvent and had not involved any material non-compliances prior to the deregistration; (iii) he is not aware of any actual or potential claim which has been or could potentially be made against him as a result of the deregistration of the above company; and (iv) there was no wrongful act on his part leading to the deregistration of the above company.

Independent non-executive Directors

Dr. Wang Jinlan (汪金蘭), aged 59, is our independent non-executive Director.

Dr. Wang has been working at the law school of Anhui University (安徽大學) since July 1990, currently serving as the doctoral supervisor in civil and commercial law as well as the master's supervisor in international law. In addition to her above positions, Dr. Wang also serves as the independent director at Anhui Construction Engineering Group Corporation Limited (安徽建工集團股份有限公司), a stock joint company whose shares are listed on Shanghai Stock Exchange (stock code:600502, SH), and Huainan Wenfeng Optical-Electrical Technology Co., Ltd. (淮南文峰光電科技股份有限公司, previously known as Huainan Wenfeng Optronic Technology Co., Ltd. (淮南文峰航天電纜有限公司)). Dr. Wang has been acting as our independent Director since December 2022.

From September 2019 to April 2024, Dr. Wang served as one of the independent directors at Donghua Engineering Co., Ltd. (東華工程科技股份有限公司), a joint stock company whose shares are listed on Shenzhen Stock Exchange (stock code:002140, SZ). Until June 2023, Dr. Wang served as one of the independent directors at Tongxing Environmental Protection Technology Co., Ltd. (同心環保科技股份有限公司), a joint stock company whose shares are listed on Shenzhen Stock Exchange (stock code:003027, SZ).

Dr. Wang graduated from Wuhan University (武漢大學) in Wuhan, Hubei with a Bachelor's degree in law in June 1987. She further obtained her Master's degree in law from Southwest University of Political Science and Law (西南政法大學) in June 1990 and Doctoral degree in international law from Wuhan University (武漢大學) in June 2003.

Dr. Zhang Jiafeng (張佳峰), aged 41, is our independent non-executive Director.

Dr. Zhang has been working at the Central South University (中南大學) since 2014. From February 2014 to February 2016, Dr. Zhang served as a postdoctoral researcher at the College of Chemistry and Chemical Engineering (化學與化工學院). From August 2016 to December 2018, Dr. Zhang served as an associate professor at the College of Metallurgy and Environment (冶金與環境學院). Dr. Zhang has been acting as a professor and doctoral supervisor at the College of Metallurgy and Environment since January 2019. Dr. Zhang has been acting as our independent Director since December 2022.

Dr. Zhang graduated from Central South University (中南大學) in Changsha, Hunan, with a Bachelor's degree in engineering in June 2007. He further obtained his Master's degree and Doctoral degree in engineering, majoring in metallurgy of materials from the same university in June 2009 and December 2013 respectively.

Mr. Zhang Wei (張維), aged 40, is our independent non-executive Director.

Mr. Zhang has extensive experience in corporate financing, fund management and auditing. From September 2008 to September 2011, Mr. Zhang served as an auditor at Deloitte & Touche LLP. From October 2011 to December 2015, he worked at KPMG with his last position as an audit manager. Mr. Zhang has previously worked as a finance manager at CMC Capital Partners HK Limited, and he has also served as a senior finance manager at Asia-Germany Industrial Promotion Limited since June 2017, as the vice president at Lunar Capital Management Limited since April 2020, as the director of fund services at ICS Corporate Services since June 2021, and as the current managing director and member of ICS CPA Limited. Mr. Zhang has been acting as independent non-executive directors of Anhui Sinomags Technology Co., Ltd. (安徽希磁科技有限公司), Crealights Technology Co., Ltd. (北京海光芯正科技股份有限公司), and Harbin Yuyantang Traditional Chinese Medicine Outpatient Group Co., Ltd. (哈爾濱譽研堂中醫門診集團股份有限公司) since July 2025, October 2025 and January 2026, respectively.

Mr. Zhang has been registered as a certified public accountant with the Board of Accountancy of the Department of Professional and Financial Regulation Office of Professional and Occupational Regulation of the State of Maine in the United States since October 2020 and has also been registered as a certified public accountant with the Hong Kong Institute of Certified Public Accountants since March 2021. Mr. Zhang is a certified anti-money laundering specialist, the certification of which was awarded by the Association of Certified Anti-Money Laundering Specialist in March 2020. Mr. Zhang obtained a Bachelor's degree of science in business administration and accounting and corporate finance from San Francisco State University in San Francisco, the United States in May 2008.

Dr. Huang Hao (黃昊), aged 46, is our independent non-executive Director.

Dr. Huang has extensive experience in investment and accounting. From 2007 to 2009, Dr. Huang acted as a senior associate of quantitative equity strategy at Lehman Brothers Holdings Inc., a company whose shares are listed on New York Stock Exchange (stock code: LEH), and he successively worked as a senior associate of quantitative equity strategy at Barclays Capital of Barclays PLC, a company whose shares are listed on London Stock Exchange (stock code: BARC) and New York Stock Exchange (stock code: BCS). Dr. Huang has been working at the department of accounting of the Hong Kong University of Science and Technology ("**HKUST**") since 2009. From 2017 to 2023, Dr. Huang served as an

associate professor. Ha was promoted to professor and the head of department of accounting in 2023 and 2025 respectively. Dr. Huang has also been serving as a faculty associate at the institute for emerging market studies of HKUST since 2019, a faculty associate at the HKUST Li & Fung Supply Chain Institute since 2024, a fellow of Asian Bureau of Finance and Economic Research since 2024 and an associate director of HKUST center for business and social analytics since 2020.

From 2020 to 2025, Dr. Huang acted as the associate dean for undergraduate program of school of business and management as well as the director of Karen Lee Student Mentoring Center at HKUST. From 2022 to 2024, Dr. Huang acted as an executive committee member at the institute for emerging market studies of HKUST.

Dr. Huang has been awarded a fellow membership of CPA Australia and entitled to use the designation of FCPA in September 2025. Dr. Huang graduated from the Peking University (北京大學) in Beijing in July 2001 with a Bachelor's degree in electronics and information science and technology. Dr. Huang further obtained his Doctoral degree in business administration from Duke University in Durham, the United States in December 2007.

Former independent Director

In December 2022, we appointed Mr. Liu Shuhong (劉朮紅) as one of our independent Directors, primarily responsible for supervising and providing independent advice to our Board. Due to his intention to concentrate on his personal affairs, Mr. Liu retired from his position in October 2025 upon the re-election of our Board and ceased to hold any position within our Group thereafter.

Mr. Liu Shuhong has confirmed that he has no disagreement with our Company, our Board or the senior management numbers of our Company, and there is no other matter in relation to his resignation that need to be brought to the attention of the Shareholders or the Stock Exchange. As Mr. Liu Shuhong's role in our Group is non-executive in nature, his resignation had no material impact on the business operation of our Group.

SENIOR MANAGEMENT

Our senior management members of our Group are responsible for the day-to-day operations and management of the business of our Group. Our senior management team comprises all of our executive Directors and Mr. Gu You, the financial director of our Company as well as the secretary of our Board, and Mr. Chen Xijun, the deputy general manager of our Company. For biographical details of our executive Directors, please refer to their respective biographies disclosed under the section headed "Executive Directors" above.

Mr. Gu You (顧游), aged 49, is the financial director, the board secretary and one of the joint company secretaries of our Company, responsible for the overall management of our financial and corporate governance affairs. Mr. Gu joined our Group in September 2022. He served as the financial director of our Company from September 2022 to December 2023 and served as our board secretary from December 2022 to December 2023. Since October 2025, Mr. Gu has been acting as the financial director, the board secretary and one of the joint company secretaries of our Company.

Prior to joining our Group, from December 2002 to November 2006, Mr. Gu served as an accountant at ExxonMobil Chemical services (Shanghai) Co., Ltd.(埃克森美孚化工商務(上海)有限公司) and the deputy manager in charge of Taiwan financial accounting at ExxonMobil (China) Investment Co., Ltd.(埃克森美孚(中國)投資有限公司) successively. From December 2006 to January 2008, Mr. Gu successively served as a financial manager of division of product and service solution at Phinia Automotive Trading (Shanghai) Co., Ltd.(費尼亞汽車貿易(上海)有限公司, previously known as Delphi Trading (Shanghai) Co., Ltd.(德爾福貿易(上海)有限公司)). From June 2008 to June 2010, Mr. Gu served as the chief financial officer at Shinho (Changzhou) Petrochemical Co., Ltd.(常州東昊化工有限公司). From July 2010 to March 2016, Mr. Gu acted as a senior financial manager at GE Healthcare Investment (China) Co., Ltd.(通用電氣醫療投資(中國)有限公司, previously known as General Electric (China) Co., Ltd.(通用電氣(中國)有限公司)). In addition, he also worked as a financial director, at Changzhou CRRC WEG Diesel Co., Ltd.(常州中車西屋柴油機有限公司), previously known as Changzhou CNR GE Diesel Engine Co., Ltd.(常州南車通用電氣柴油機有限公司). From April 2016 to September 2022, Mr. Gu served as the chief financial officer at multiple companies including Shanghai Future High-tech Co., Ltd.(上海富馳高科技股份有限公司), Jiangsu Flag Chemical Industry Co., Ltd.(江蘇中旗科技股份有限公司), a joint stock company whose shares are listed on Shenzhen Stock Exchange (stock code:300575, SZ) and Shanghai Fuda Semiconductor Co., Ltd.(上海伏達半導體有限公司). From January 2024 to July 2025, Mr. Gu acted as the financial director and secretary of the board of directors of Zhejiang Hongxin New Materials Co., Ltd.(浙江泓芯新材料有限公司).

Mr. Gu obtained his Bachelor's degree in management, majoring in accounting, from University of Shanghai for Science and Technology(上海理工大學) in Shanghai in June 1999, and he further obtained his Master's degree in business administration in October 2009 from Shanghai University of Finance and Economics(上海財經大學) in Shanghai. Mr. Gu has registered as a certified public accountant with the Guam Board of Accountancy since December 2009 and is a member of the Chinese Institute of Certified Public Accountants(中國註冊會計師協會). Mr. Gu also holds the qualification of Chartered Global Management Accountant and the qualification of Certified Internal Auditor.

Mr. Chen Xijun(陳西軍), aged 52, is the deputy general manager of our Company. Mr. Chen has joined our Group as the deputy general manager of our Company since July 2020 and has been responsible for the overall planning and management of our Group's equipment development and major engineering projects.

Prior to joining our Group, from 2009 to August 2017, Mr. Chen Xijun served as a transposition line equipment maintenance supervisor and the deputy director of transposition line workshop at Hefei Tongguan Electronic Copper Foil Co., Ltd. (合肥銅冠電子銅箔有限公司), previously known as Hefei Tongguan Guoxuan Copper Materials Co., Ltd.(合肥銅冠國軒銅材有限公司). From August 2017 to June 2020, Mr. Chen acted as the deputy director of Jiugong workshop at Tongling Tongguan Electronic Copper Foil Co., Ltd.(銅陵銅冠電子銅箔有限公司).

Mr. Chen obtained his college's degree in mining machinery engineering from Tongling Nonferrous Technical College(銅陵有色技工學校) in Tongling, Anhui, in June 1994.

OTHER INFORMATION

Save as disclosed above, (i) each of our Directors and members of senior management have not been a director of any public company whose securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document; and (ii) none of our Directors and members of the senior management is related to other Directors, members of the senior management and/or Controlling Shareholders.

Our Directors (excluding our independent non-executive Directors) have confirmed that none of them has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

Save as disclosed above, to the best knowledge, information and belief of our Directors, having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 21, 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Mr. Gu You is one of our joint company secretaries of the Company. For the biographical details of Mr. Gu You, please refer to "— Senior Management" above.

Ms. Ye Jiahong (葉嘉紅), is one of the joint company secretaries of the Company. Ms. Ye is an assistant manager of the listing services division at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong. She has over eight years of experience in company secretarial profession and has been serving as the company secretary of several listed companies in Hong Kong.

Ms. Ye is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Ms. Ye received a bachelor's degree in English from Jinan University (暨南大學) in the PRC in June 2013 and a master degree of art from the Chinese University of Hong Kong in Hong Kong in November 2014.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), we have established four committees on our Board, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely, Mr. Zhang Wei, Dr. Wang Jinlan and Mr. Li Siyang, with Mr. Zhang Wei acting as the chairperson, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company and reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely, Dr. Zhang Jiafeng, Mr. Zhang Wei and Mr. Xie Changjiang, with Dr. Zhang Jiafeng acting as the chairperson. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- supervising the implementation of the remuneration plan of our Company; and
- dealing with other matters that are authorized by our Board, and if necessary.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely, Dr. Wang Jinlan, Dr. Zhang Jiafeng and Mr. Li Siyang, with Dr. Wang Jinlan acting as the chairperson. The primary functions of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

Strategy Committee

We have established the Strategy Committee consists of five Directors, namely Mr. Li Xianyang, Mr. Li Siyang and Dr. Zhang Jiafeng, with Mr. Li Xianyang acting as the chairman. The primary duties of the Strategy Committee include, but not limited to, the following:

- reviewing our Company's long-term development strategies, major investment decisions and other important matters affecting our Company's development;
- providing recommendations with respect to key strategic initiatives;
- assisting our Board in establishing the strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives; and
- dealing with other matters that are authorized by our Board.

CORPORATE GOVERNANCE CODE

Provision C.2.1 of the Corporate Governance Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Li Xianyang is our executive Director, Chairman and General Manager. With extensive experience in the electrolytic copper foil industry, Mr. Li Xianyang is responsible for the overall management, strategy planning and major decision-making of our Group, and is instrumental to our Group's growth and business expansion since the establishment of our Group. Since Mr. Li Xianyang is the key person for our Group's establishment, our Board considers that vesting the roles of Chairman and General Manager in the same person, Mr. Li Xianyang, would not create any potential harm to the interest of our Group and it is, on the contrary, beneficial to the management of our Group. In addition, the operation of the senior management and our Board, which are comprised of experienced individuals, effectively checks and balances the power and authority of Mr. Li. Upon the **[REDACTED]**, our Board will comprise four executive Directors (including Mr. Li Xianyang), one non-executive Director and four independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Save as disclosed above, we are in compliance with the requirements under all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in our Company. We have striven to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. Our Directors have a balanced mixed of knowledge and skills, including but not limited to copper foil technology, business administration, finance and accounting and law. They obtained degrees in various majors including but not limited to metallurgy of materials, international law, business administration. Furthermore, our Board has a relatively wide range of ages, ranging from 36 years old to 59 years old with experience from different industries, sectors and genders.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Upon **[REDACTED]**, our Board comprises eight male members and one female member. Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the **[REDACTED]**, our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules provides that an applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinary resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has agreed to grant,] a waiver from strict compliance with Rule 8.12 of the Listing Rules. For further details, see "Waivers from Strict Compliance with the Listing Rules — Waiver in respect of Management Presence in Hong Kong" in this document.

REMUNERATION AND COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of salaries, allowances and benefits in kind, performance related bonuses, share-based payments, and pension scheme contributions.

The aggregate emoluments received by our Directors and supervisors were approximately RMB22.5 million, RMB24.0 million, RMB6.8 million and RMB1.6 million for the three years ended December 31, 2023, 2024, 2025 and six months ended June 30, 2026.

The five highest paid employees during the Track Record Period included one, three, three and two Directors. The aggregate emoluments paid to our Company's five highest paid employees, excluding our Directors and the chief executive were approximately RMB15.8 million, RMB1.4 million, RMB3.9 million and RMB1.2 million for the three years ended December 31, 2023, 2024, 2025 and six months ended June 30, 2026.

For additional information on Directors' emoluments during the Track Record Period as well as information on the highest paid individuals, please see Notes 9 and 10 of the Accountants' Report set out in Appendix I to this Document.

Pursuant to the arrangements currently in force, the aggregate amount of remuneration (excluding discretionary bonus) payable to and the benefits in kind receivable by our Directors for the year ending December 31, 2026, is estimated to be approximately RMB4.1 million.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid employees as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company. During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been made or are payable by our Company or any of our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Innovax Capital Limited as our compliance advisor upon the proposed **[REDACTED]** pursuant to Rules 3A.19 and 19A.05 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws;

- where a transaction, which might be notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;

- where we propose to use **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document;

- where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules regarding unusual movements in the price or trading volume of our Shares.

Pursuant to Rule 3A.24 of the Listing Rules, our compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the **[REDACTED]** and end on the date on which we distribute our annual report of our financial results for the first full financial year commencing after the **[REDACTED]**, and such appointment may be subject to mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), each of the following persons will have an interest and/or short position in Shares or the underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Name of Shareholder	Nature of Interest	Number of Shares[1]	Approximate percentage of shareholding in the issued share capital of our Company[2]	Number of Shares[1]	Description of Shares	Approximate percentage of shareholding in the [REDACTED] Shares/[REDACTED] Shares[3]	Approximate percentage of shareholding in the total issued share capital of our Company[3]
Mr. Li Xianyang	Beneficial owner[4]	91,545,000	39.3%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest held jointly with other person[4]	73,827,088	31.7%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
Mr. Li Siyang	Beneficial owner[5]	57,375,209	24.7%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest in controlled corporations[5]	16,451,879	7.1%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest held jointly with other person[5]	91,545,000	39.3%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
Zhuhai Xinyan	Beneficial owner[6]	16,451,879	7.1%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest held jointly with other person[6]	148,920,209	64.0%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
Ms. Lin Jiachun (林佳純)	Interest of spouse[7]	165,372,088	71.1%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
Ms. Chen Yingdan (陳映丹)	Interest of spouse[8]	165,372,088	71.1%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 232,629,206 Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of **[REDACTED]** Shares (consisting of **[REDACTED]** Shares and **[REDACTED]** Shares) in issue immediately after the completion of the **[REDACTED]** (without taking into account the H Shares which may be issued upon the exercise of the **[REDACTED]**).

(4) As of the Latest Practicable Date, Mr. Li Xianyang is the beneficial owner of 91,545,000 Shares. Also, Mr. Li Xianyang is deemed to be interested in 73,827,088 Shares as a result of being a party acting-in-concert with Mr. Li Siyang and Zhuhai Xinyan pursuant to the Concert Party Agreements.

(5) As of the Latest Practicable Date, Mr. Li Siyang is the beneficial owner of 57,375,209 Shares. Also, (i) Mr. Li Siyang is deemed to be interested in 91,545,000 Shares as a result of being a party acting-in-concert with Mr. Li Xianyang pursuant to the Concert Party Agreements; and (ii) Mr. Li Siyang acts as the general partner of Zhuhai Xinyan (holding 16,451,879 Shares) and is deemed to be interested in such number of Shares held by Zhuhai Xinyan under the SFO.

(6) As of the Latest Practicable Date, Zhuhai Xinyan is the beneficial owner of 16,451,879 Shares. Also, Zhuhai Xinyan is deemed to be interested in 148,920,209 Shares as a result of being a party acting-in-concert with Mr. Li Xianyang and Mr. Li Siyang pursuant to the Concert Party Agreements.

(7) Ms. Lin Jiachun is the spouse of Mr. Li Xianyang. Accordingly, Ms. Lin Jiachun is deemed to be interested in such number of Shares that Mr. Li Xianyang is interested in under the SFO.

(8) Ms. Chen Yingdan is the spouse of Mr. Li Siyang. Accordingly, Ms. Chen Yingdan is deemed to be interested in such number of Shares that Mr. Li Siyang is interested in under the SFO.

Save as disclosed above, our Directors are not aware of any persons who will, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), have an interest and/or short positions in Shares or the underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

OUR SHARE CAPITAL

The following is a description of the share capital of our Company prior to and upon the completion of the **[REDACTED]**:

Prior to the [REDACTED]

As of the Latest Practicable Date, the share capital of our Company was RMB232,629,206 comprising 232,629,206 **[REDACTED]** Shares with a nominal value of RMB1.0 each.

Upon the completion of the [REDACTED]

Immediately upon completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage to the total issued share capital of our Company
[REDACTED] in issue	**[REDACTED]**	**[REDACTED]**%
[REDACTED] Shares converted from **[REDACTED]** Shares[(1)]	**[REDACTED]**	**[REDACTED]**%
[REDACTED] Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	100.0%

Immediately upon completion of the **[REDACTED]**, assuming the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage to the total issued share capital
[REDACTED] Shares in issue	**[REDACTED]**	**[REDACTED]**%
[REDACTED] Shares converted from **[REDACTED]** Shares[(1)]	**[REDACTED]**	**[REDACTED]**%
[REDACTED] Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	100.0%

Note:

1. Immediately following the completion of the **[REDACTED]** and according to the notification on completion of filing procedures issued by the CSRC on [•], 2026, **[REDACTED]** Shares will be converted into **[REDACTED]** Shares on a one-for-one basis and **[REDACTED]** on the Stock Exchange for **[REDACTED]**.

RANKING

Upon completion of and the **[REDACTED]** and conversion of **[REDACTED]** Shares into **[REDACTED]** Shares (assuming the **[REDACTED]** is not exercised), our Company would have **[REDACTED]** Shares and **[REDACTED]** Shares. The **[REDACTED]** Shares are currently not **[REDACTED]** or **[REDACTED]** on any stock exchange or authorized trading facility. Both **[REDACTED]** Shares and **[REDACTED]** Shares are ordinary shares in the share capital of our Company and are regarded as the same class of Shares.

Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our **[REDACTED]** Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, **[REDACTED]** Shares generally cannot be subscribed for by or traded among legal and natural persons of the PRC.

[REDACTED] Shares and **[REDACTED]** Shares will rank *pari passu* with each other in all other respects and will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the **[REDACTED]** Shares are to be paid by us in Hong Kong dollars or in the form of **[REDACTED]** Shares.

CONVERSION OF [REDACTED] SHARES INTO [REDACTED] SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our **[REDACTED]** Shares may, at their own option, authorise our Company to file to the CSRC for conversion of their respective **[REDACTED]** Shares to **[REDACTED]** Shares, and such **[REDACTED]** Shares may be **[REDACTED]** and **[REDACTED]** on an overseas stock exchange provided that the conversion, **[REDACTED]** and **[REDACTED]** of such converted Shares have been approved by the/ have completed the filing procedures with securities regulatory authorities, including the CSRC. Additionally, such conversion, **[REDACTED]** and **[REDACTED]** shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the **[REDACTED]** Shares are to be converted, **[REDACTED]** and **[REDACTED]** as **[REDACTED]** Shares on the Hong Kong Stock Exchange, such conversion, **[REDACTED]** and **[REDACTED]** will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Register with the CSRC and [REDACTED] Application

In accordance with the Trial Administrative Measures and related guidelines, **[REDACTED]** listed companies which apply for the conversion of **[REDACTED]** shares into **[REDACTED]** shares for **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange shall register with the CSRC by filing materials on key compliance issues. An unlisted domestic joint-stock company with limited liability may apply for "full circulation" when applying for an overseas **[REDACTED]**.

We applied for a "**[REDACTED]**" filing when filing with the CSRC for an overseas **[REDACTED]**, and submitted the filing reports, authorization documents of the shareholders of **[REDACTED]** Shares which applied for the **[REDACTED]**, undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We have received the filing notification from the CSRC dated [•] 2026 in relation to the registration of the overseas **[REDACTED]** and "**[REDACTED]**", pursuant to which (i) we are approved to issue no more than **[REDACTED]** Shares with a nominal value of RMB1.0 each, which are all ordinary shares of our Company, and we may be **[REDACTED]** on the **[REDACTED]** of the Hong Kong Stock Exchange; (ii) certain Shareholders (the "**[REDACTED] Participating Shareholders**") could convert **[REDACTED]** Shares into **[REDACTED]** Shares on a one-for-one basis ("**Conversion of [REDACTED]**") upon the completion of the **[REDACTED]**, the details of which are set out as below:

[REDACTED] Participating Shareholders	Number of Converted Shares	Percentage of shareholding immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
Mr. Li Xianyang	[REDACTED]	[REDACTED]%
Mr. Li Xiyang	[REDACTED]	[REDACTED]%
Zhuhai Xinyan	[REDACTED]	[REDACTED]%
Tong Chuang	[REDACTED]	[REDACTED]%
Tong Xin	[REDACTED]	[REDACTED]%
Tong De	[REDACTED]	[REDACTED]%
Yibin Chendao	[REDACTED]	[REDACTED]%
BYD	[REDACTED]	[REDACTED]%
Xiamen Huiyou	[REDACTED]	[REDACTED]%
Jinhua Jinkai	[REDACTED]	[REDACTED]%
Huiyou Venture	[REDACTED]	[REDACTED]%
Thriving Capital	[REDACTED]	[REDACTED]%
Chuangqi Kaiying	[REDACTED]	[REDACTED]%
Fuzhou Gaoxing	[REDACTED]	[REDACTED]%
Shenzhen Leijing	[REDACTED]	[REDACTED]%
Zhongjin Yibin	[REDACTED]	[REDACTED]%
Chengdu Dingyi	[REDACTED]	[REDACTED]%
Southeast Tech Innovation	[REDACTED]	[REDACTED]%
Guangdong Huatai	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]%

[REDACTED] Approval by the Hong Kong Stock Exchange

We have applied to the **[REDACTED]** of the Hong Kong Stock Exchange for the granting of **[REDACTED]** of, and permission to **[REDACTED]**, our **[REDACTED]** Shares to be issued pursuant to the **[REDACTED]**, and the **[REDACTED]** Shares to be converted from **[REDACTED]** Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of **[REDACTED]** Shares into **[REDACTED]** Shares after receiving the approval of the Hong Kong Stock Exchange: (i) giving instructions to our **[REDACTED]** regarding relevant share certificates of the converted **[REDACTED]** Shares; and (ii) enabling the converted **[REDACTED]** Shares to be accepted as eligible securities by **[REDACTED]** for deposit, clearance and settlement in the **[REDACTED]**.

Domestic Procedures

The **[REDACTED]** Shareholders may only **[REDACTED]** the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and **[REDACTED]**:

(i) we will appoint CSDC as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at **[REDACTED]** in its own name. CSDC, as the nominal holder of the **[REDACTED]** Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted **[REDACTED]** Shares for the **[REDACTED]** Shareholders;

(ii) we will engage a domestic securities company (the "**Domestic Securities Company**") to provide services such as sending orders for trading of the converted **[REDACTED]** Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (the "**Hong Kong Securities Company**") for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted **[REDACTED]** Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by the Shenzhen Stock Exchange (the "**SZSE**");

(iii) the SZSE shall authorize Shenzhen Securities Communication Co., Ltd.(深圳證券通信有限公司) to provide services relating to transmission of trading orders and transaction returns in respect of the converted **[REDACTED]** Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the **[REDACTED]** Shares;

(iv) according to the Notice of the State Administration for Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the **[REDACTED]** Share "**[REDACTED]**" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the **[REDACTED]** Share "**[REDACTED]**" at the Hong Kong Securities Company; and

(v) the **[REDACTED]** Shareholders shall submit trading orders of the converted **[REDACTED]** Shares through the Domestic Securities Company. Trading orders of the **[REDACTED]** Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the **[REDACTED]** Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant **[REDACTED]** Shareholders in our **[REDACTED]** Shares shall be reduced by the number of the **[REDACTED]** Shares converted and the number of **[REDACTED]** Shares shall be increased by the number of converted **[REDACTED]** Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

According to the PRC Company Law, the shares issued prior to any **[REDACTED]** of shares by a company cannot be transferred within one year from the date on which such **[REDACTED]** shares are **[REDACTED]** and **[REDACTED]** on the relevant stock exchange. As such, the Shares issued by our Company prior to the **[REDACTED]** will be subject to such statutory restriction on transfer within a period of one year from the **[REDACTED]**.

SHARE CAPITAL

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas listed company is required to register its shares that are not **[REDACTED]** on the overseas stock exchange with CSDC within 15 business days upon **[REDACTED]** and provide a written report to the CSRC regarding the centralized registration and deposit of its **[REDACTED]** shares as well as the **[REDACTED]** and **[REDACTED]** of shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of Shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix III — Summary of the Articles of Association" in this document.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue **[REDACTED]** Shares and seek the **[REDACTED]** of **[REDACTED]** Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on October 30, 2025.

You should read the following discussion and analysis in conjunction with our consolidated financial information as of and for the periods ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 included in the Accountants' Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

We are an electrolytic copper foil solutions provider in China, specializing in the design, research and development, production, and sales of high-performance 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 both domestic and global markets, 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 new energy vehicle ("**NEV**"), energy storage system ("**ESS**"), and consumer electronics, as well as advanced electronic circuit copper foils, which are critical for manufacturing printed circuit board ("**PCB**") and copper-clad laminate ("**CCL**") used in a wide array of markets including AI and high-performance computing, 5G/6G communications, consumer and 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 robust and resilient foundation 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 technological innovation, 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.

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.

BASIS OF PREPARATION

We were incorporated as a limited liability company in the People's Republic of China on August 18, 2016. On December 20, 2022, we were converted into a joint stock company with limited liability. Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board ("**IASB**"). Our historical financial information has been prepared under the historical cost convention. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of our Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Group are eliminated in full on consolidation.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

See note 2.1 to the Accountants' Report in Appendix I to this document for details.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The growth and future success of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose challenges that we must successfully address in order to sustain our growth and improve our results of operations.

General Factors

- overall economic growth and conditions;
- development and prosperity of the electrolytic copper foil industry;

- conditions of the downstream markets of the electrolytic copper foil industry and the resulting fluctuations in customer demand;
- technology development and competition in the electrolytic copper foil; and
- relevant laws and regulations, government policies and initiatives.

Company-specific Factors

Our business, results of operations and financial performance are principally affected by the following company-specific factors:

Our financial performance is subject to downstream and upstream market conditions

Our financial performance is principally affected by the cyclical change of our downstream and upstream market conditions, which may in turn affect our sales volume, average selling prices, cost of sales, processing fee, and profitability.

Downstream Market Conditions

Downstream market conditions can affect our sales volume, processing fee, average selling prices, profitability, and margin. According to Frost & Sullivan, the fluctuations of our financial performance during the Track Record Period was in line with prevailing industry trends and price ranges.

We sold lithium battery copper foil primarily to downstream customers in NEV and ESS industries during the Track Record Period. From 2020 to 2022, with the rapid growth in NEV sales, demand for power batteries increased significantly, leading to a high-prosperity phase in which the lithium battery copper foil market experienced supply shortages. Subsequently, a large amount of new capacity was released in 2023 and 2024, resulting in a temporary oversupply in the industry. As a result, industry-average processing fees and profitability declined. This trend directly adversely impacted our sales volume, average selling prices and profitability, with our gross profit margin decreasing from 6.7% in 2023 to 3.1% in 2024. Around 2025, as demand continues to grow and some outdated capacity was gradually phased out, the supply-demand balance has begun to improve. As market conditions improved in 2025, in particular the strong market demand from the ESS and power batteries sectors, our processing fees stabilized to an upward trend and our gross profit margin improved to 5.7%. The lithium battery copper foil market is currently in the market recovery stage with high-end segments seeing robust growth. We anticipate increasing demand for high-performance products where we have stronger pricing power, which is expected to enhance our revenue growth, profitability and margin.

The electronic circuit copper foil industry is mainly influenced by the cyclical trends of the PCB industry and the semiconductor sector. In 2021, driven by strong demand for consumer electronics and a relatively high level of prosperity in the semiconductor industry, the electronic circuit copper foil market experienced a high-growth phase. During 2022 to 2023, however, global demand for consumer electronics weakened and the industry entered a destocking cycle, resulting in slower demand growth. This market could not support our growth in electronic circuit copper foil business, and we were not able to charge high premiums in processing fee and average selling prices, resulting in our loss-making for this business segment in 2023 and 2024. As inventories have gradually normalized and demand from emerging applications continues to expand, the industry has started to recover since late 2025. Currently, the electronic circuit copper foil market is in the market recovery stage, with demand for high-frequency, high-speed and high-end copper foil products expected to grow robustly, driven by emerging applications such as AI and high-performance computing, high-speed communication equipment and automotive electronics. Our development of advanced HVLP and RTF products positions us to benefit from this recovery, making contribution to enhancing our revenue growth, profitability and margin.

Upstream Market Conditions

Upstream market conditions can affect our revenue and cost of raw materials. Cathode copper is our primary raw material. Since the fourth quarter of 2025, according to Frost & Sullivan, the electrolytic copper foil industry has entered a market recovery phase to be followed by strong growth, driven by the dual tailwinds of expansion in the new energy market and the advancement of AI technologies. The simultaneous rapid growth of downstream applications, coupled with ongoing technological upgrades, is supporting the steady expansion of the global electrolytic copper foil market. In particular, lithium battery copper foil has benefited from the robust development of the NEV and ESS industries, while electronic circuit copper foil has been driven by technological advancements in AI and high-performance computing, 5G/6G communications, and humanoid robotics. Looking ahead, Chinese electrolytic copper foil manufacturers are expected to enter a new upcycle in 2026, with processing fees gradually recovering. In addition, as we are building new production capacity from 2026 to 2028, we expect to capture the growing demand from major customers for high-performance products. Driven by simultaneous growth in both volume and pricing, our revenue, gross margin and profit attributable are expected to increase in the near future. Our goal to further grow our business and improve profitability depends substantially on our ability to successfully navigating these cycles. As we operate on an industry-standard pricing model of "copper price plus processing fee," the price fluctuations of copper price may primarily affect our selling prices, revenue, and cost of sales. During the Track Record Period, the continuous increasing copper price resulted in an increase in our revenue and cost of sales, but seldom had any impact on our profitability.

We expect that the forecasted increase in copper price will continue to make significant contribution to our selling prices, revenue and cost of sales.

Our financial performance is subject to cyclical change of the electrolytic copper foil industry

The electrolytic copper foil industry is characterized by periodic fluctuations. The lithium battery copper foil industry cycle is primarily driven by the development of NEV and ESS industries, typically exhibiting a three-to-five year cycle of "industry expansion – supply surplus – industry consolidation – rebalancing," and the electronic circuit copper foil industry typically exhibits an industry cycle of three- to four years driven primarily by PCB and CCL industries. During industry expansion periods, the industry can experience (i) strong demand or lack of supply that may lead to meaningful increases in sales growth, selling prices, profitability or margins, or (ii) temporary oversupply that may lead to a decrease in our sales volume, selling prices, profitability, or margins. Conversely, during supply surplus or industry consolidation, the industry can experience oversupply that may lead to a decrease in our sales volume, selling prices, profitability, or margins. In addition, the cyclical fluctuations in the price of our major raw materials, primarily copper, have a material impact on our financial performance. For example, the increases in copper price during the Track Record Period resulted in the increase in our selling prices, revenue and cost of sales.

Copper prices exhibit the typical characteristics of global commodity cycles, generally showing long cycles of approximately seven to ten years, with additional medium-term fluctuations of around three to four years. Copper prices are mainly influenced by factors such as global economic growth, infrastructure investment, the U.S. dollar and interest rate environment, and mining supply cycles. In recent years, global copper demand has continued to grow, driven by energy transition, power grid upgrades, the adoption of electric vehicles, and the construction of AI data centers, while the release of new mining capacity has remained relatively limited, resulting in a tightening supply-demand balance. According to Frost & Sullivan, overall, copper prices are currently in the mid-stage of a new upward cycle, with a higher price level compared to the past and a structural trend of fluctuating upward movement.

The fluctuations in the prices of copper and the level of processing fee that we are able to charge

As we adopt a "copper price plus processing fee" pricing model, copper price and processing fee are the two largest factors that affect our revenue, cost and profitability, as the case may be. Typically, we pass the cost of copper to our downstream customers, which is an industry norm in the electrolytic copper foil industry according to Frost & Sullivan. As a result, the cost of copper can affect both our revenue and our cost of sales. During the Track Record Period, the cost of copper was the single largest component of our cost of sales. Historically, there has been an overall increasing trend of copper price since 2020 until now. Our cost of raw materials, which was mainly copper, amounted to RMB2,442.8 million, RMB2,638.3 million, RMB3,430.2 million, RMB1,485.1 million and RMB2,763.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 82.8%, 84.8%, 86.4%, 86.3% and 88.4% of our total costs of sales in the same periods, respectively. Notwithstanding, as the benchmark copper price is typically passed through to our customers, we can largely insulate our gross profit from direct copper price volatility

Under our pricing model, the processing fee have a material impact on our profits. Therefore, the level of processing fee that we are able to charge have a material impact on our profitability. The level of our processing fee is subject to various factors, including market supply and demand, our technology, specific product parameters, projected volumes, intended applications, processing costs, and our relationships with customers, among others.

Furthermore, due to our pricing model, the margin of our each product category is largely affected by the copper price and the processing fee. In addition, as the processing technology for our high-performance lithium battery copper foil products is more sophisticated than our standard lithium battery copper foil products, we are able to charge higher processing fees for our high-performance lithium battery copper foil products. As a result, our mix of products, which have different margins, will affect our overall margins.

See "Business — Pricing" for details.

The following table sets forth a sensitivity analysis of the impact that the level of our processing fee may have on our profitability.

Hypothetical increase/ (decrease) in our processing fee	(Decrease)/Increase in							
	Gross profit				Gross profit margin			
	Year ended December 31,			Six months ended June 30,	Year ended December 31,			Six months ended June 30,
(%)	2023	2024	2025	2026	2023	2024	2025	2026
	%				*Percentage points*			
5	19.3	29.9	16.5	10.3	1.2	0.9	0.9	0.8
10	38.7	59.7	33.0	20.6	2.4	1.8	1.8	1.5
(5)	(19.3)	(29.9)	(16.5)	(10.3)	(1.2)	(0.9)	(0.9)	(0.8)
(10)	(38.7)	(59.7)	(33.0)	(20.6)	(2.5)	(1.8)	(1.8)	(1.6)

Our production capacity and processes

Stable and scalable production capacity is key to our success. The steady expansion of our production capacity as well as our continual refinement of manufacturing processes underpinned our rapid growth during the Track Record Period. The production utilization rate for 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 was 96.8%, 81.8%, 92.5%, 91.6% and 92.2%,

respectively. As of the Latest Practicable Date, we housed three production bases, with a designed annual production capacity of 90,000 tons per year, well positioned to capture the opportunities in the booming electrolytic copper foil market.

We plan to prudently and efficiently expand our production capacity to sustain our leadership position so that we are poised to meet the escalating market demand for electrolytic copper foil products to grow our revenue and realize economies of scale while maintaining operational efficiency. The successful upgrade and expansion of our production capability require the ability to formulate and execute upgrade and expansion plans, expand and construct new facilities and maintain and purchase production equipment in cost-effective and efficient manners. As we continue to expand our production capacity, we expect to continue to incur substantial capital expenditures, which may be adjusted according to our development plans or in light of the market conditions of the electrolytic copper foil industry and the related downstream markets, as well as other factors we believe to be appropriate.

Our ability to control costs and improve operational efficiency

Our ability to control costs and improve operational efficiency has a material impact on our profitability and margins. This ability is critical to our results of operations because it enables us to be profitable during market downturns. Our cost of sales (excluding cost of raw materials, primarily copper) was RMB508.7 million, RMB473.6 million, RMB541.0 million, RMB235.6 million and RMB363.2 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 16.1%, 14.7%, 12.8%, 13.1% and 10.7% of our total revenue in the respective periods. The decreasing trend of our cost of sales as a percentage of our total revenue during the Track Record Period was primarily because we have several proprietary processing technologies to effectively and efficiently control our costs. These technologies include primarily the low-voltage in-cell electrolytic copper foil technology (電解銅箔低槽壓生箔技術), the edge-oxidation optimization (電解銅箔邊部氧化改善技術), a combined of wet and dry roll-end polishing technique (濕幹拋改善卷底不良米數技術) and long-length lithium battery ultra-thin copper foil production technique (鋰電極薄銅箔長米數提升技術). We have effectively reduced the voltage used in the production process and overall power consumption by implementing the low-voltage in-cell electrolytic copper foil technology. The introduction of edge-oxidation optimization and a combined of wet and dry roll-end polishing technique has reduced coil-tail defects and improved the yield of finished products. In addition, we also applied the long-length lithium battery extra thin copper foil production technique) to increase throughput under unchanged processing parameters by optimizing the additive and electrolyte formulations, thereby lowering overall production costs.

We also incurred operational expenses, comprising research and development expenses, selling and marketing expenses and administrative expenses, of RMB144.8 million, RMB121.5 million, RMB131.7 million, RMB48.2 million and RMB77.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 4.6%, 3.8%, 3.1%, 2.7% and 2.3% of our total revenue in the respective periods. The decreasing trend of our operational expenses as a percentage of our total revenue during the Track Record Period demonstrates our strong ability to effectively and efficiently control our operational expenses.

Our relationships with industry-leading customers

As many of our customers are well-known companies with a significant market share in their respective end markets, having direct connections with them enables us to precisely understand and respond to their requirements, which helps us offer products and services that keep up with our customers' specific and evolving needs. By engaging early in the product introduction phase to collaborate with customers and understand their needs and market dynamics, we aim to expedite our product introduction cycles, improve product design and boost orders, shipments and customer retention.

We gain our customers primarily by capitalizing on the robust brand reputation and substantial industry influence established through sustained, comprehensive and in-depth collaboration with top-tier companies across diverse application areas, together with other marketing activities.

Some of our customers have market leadership, and thus a significant portion of our revenue may come from such industry-leading customers. As a result, maintaining good relationships with such customers and developing new relationships with other industry-leading customers are critical to our business. We plan to attract new customers across a broader spectrum of industries by continually launching innovative products for novel applications and deepen collaborations with existing customers by exploring new areas of cooperation with our new and enhanced offerings. Through stable and lasting collaboration with customers, we have acquired significant know-how in their respective application scenarios. We continually iterate our products to focus not only on design, structure and functionality but also on producibility, reliability, performance and product lifecycle planning, with a view to facilitating customer success in their respective end markets, helping them achieve their business goals. A loyal and growing customer base will help us increase our sales volume, thereby improving our revenue and gross margins, consolidating our market leadership.

Our continual investment in technology and talent

Our advanced technology and highly skilled and talented research and development personnel are critical to our success in the electrolytic copper foil industry. Our leadership is sustained by a research and development team of 191 employees as of June 30, 2026, many of whom are industry veterans with profound expertise in technology and material innovation. Meanwhile, we have invested substantial resources in our in-house and collaborative research and development activities to further improve and upgrade our technology and to meet our customers' high, international standard requirements. Our cumulative research and development expenses during the entire Track Record Period amounted to RMB186.3 million. To compete for top talents in a competitive market, we offer attractive compensation and have a comprehensive training system designed to help employees grow knowledge and expertise in cutting-edge electrolytic copper foil technology areas. To further enhance our market leadership, we expect to continue to invest significantly in our research and development activities as well as research and development personnel, which may have a material impact on our results of operations.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

We have identified certain accounting policies that are significant to the preparation of our historical financial information. These policies involve subjective assumptions, estimates and complex judgments. Such estimates are continuously reviewed and are based on historical experience and reasonable expectations of future events. We have not made material changes to our assumptions or estimates during the Track Record Period and do not expect significant changes under current circumstances. When reviewing our historical financial information, you should consider our material accounting policies, the judgments involved and the sensitivity of reported results to changes in assumptions and conditions. Our material accounting policies and critical accounting judgments and estimates, which are important for an understanding of our financial position and results of operations, are set forth in detail in Notes 2.3 and 3 to the Accountants' Report set out in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
			RMB'000		
				(Unaudited)	
Revenue	**3,162,995**	**3,211,673**	**4,212,496**	**1,802,293**	**3,403,272**
Cost of sales	(2,951,445)	(3,111,890)	(3,971,193)	(1,720,650)	(3,127,116)
Gross profit	**211,550**	**99,783**	**241,303**	**81,643**	**276,156**
Other income and gains	74,470	122,116	77,850	26,694	46,153
Selling and marketing expenses	(21,722)	(13,884)	(17,261)	(7,035)	(9,892)
Administrative expenses	(69,280)	(60,834)	(65,063)	(19,641)	(31,775)
Research and development expenses	(53,825)	(46,823)	(49,406)	(21,538)	(36,278)
Reversal of impairment losses/(impairment losses) on financial assets, net	1,573	(5,508)	5,137	2,101	4,797
Other expenses	(21,049)	(11,896)	(20,375)	(9,936)	(12,764)
Finance costs	(48,515)	(61,604)	(68,365)	(39,570)	(47,780)
Profit before tax	**73,202**	**21,350**	**103,820**	**12,718**	**188,617**
Income tax expense	(10,145)	(770)	(9,986)	562	(23,699)
Profit and total comprehensive income for the year/period	**63,057**	**20,580**	**93,834**	**13,280**	**164,918**
Profit attributable to:					
Owners of the parent	63,085	20,581	91,780	13,279	156,237
Non-controlling interests	(28)	(1)	2,054	1	8,681
	63,057	20,580	93,834	13,280	164,918

Revenue

During the Track Record Period, our revenue was primarily generated through the sales of different types of copper foil products, i.e. the lithium battery copper foil and the electronic circuit copper foil. To a lesser extent, we also generated a small portion of revenue through the sales of copper foil scrap during the Track Record Period. Our revenue generated from the sales of copper foil accounted for 99.3%, 99.7%, 99.2%, 99.7% and 97.5% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, and our revenue generated from the sales of lithium battery copper foil accounted for 89.1%, 88.8%, 87.8%, 86.9% and 89.3% of our total revenue in the same periods respectively.

The following table sets forth the breakdown of our revenue by product in absolute amounts and as percentages 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[(i)]	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.

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	368,772	10.8
High-performance	239,326	7.6	1,880,659	58.6	2,887,572	68.5	1,191,489	66.1	2,671,319	78.5
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 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.

The following table sets forth the price range and sales volume of our electrolytic copper foil products for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*	Average selling price *(RMB/kg)*	Sales volume *(Ton)*
Lithium Battery copper foil										
– Standard	81.8	31,492.4	78.3	12,409.5	85.9	9,468.1	83.9	4,462.5	104.7	3,522.0
– High-performance	87.4	2,739.0	83.2	22,598.5	87.8	32,872.3	84.2	14,158.5	107.1	24,947.0
Sub-total	82.3	34,231.4	81.5	35,008.0	87.4	42,340.4	84.1	18,621.0	106.8	28,469.0
Electronic circuit copper foil	74.8	4,317.6	78.7	4,465.4	83.5	5,733.3	81.2	2,846.2	104.2	2,686.7
Total		**38,549.0**		**39,473.4**		**48,073.7**		**21,467.2**		**31,155.7**

During the Track Record Period, the average selling prices of our high-performance lithium battery copper foil products were higher than those of our standard lithium battery copper foil products, as our high-performance products can charge higher processing fees due to its technological advancement. In addition, sales volume of 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. The average selling price of our lithium battery copper foil products in 2024 was lower than those in 2023 and 2025, as a result of the temporary oversupply in the lithium battery copper foil market in 2024 that led to a decrease in our processing fees. The average selling price and sales volume of our lithium battery copper foil products increased significantly from the six months ended June 30, 2025 to the six months ended June 30, 2026, as a result of the extremely high demand from our downstream industries. The increasing trend of the average selling price of our electronic circuit copper foil products enabled this business segment to turn from loss-making position to profit-making position, and our electronic circuit copper foil business is expected to further improve its profitability in 2026.

We sell our copper foil products primarily in the Chinese mainland. During the Track Record Period, we also sold products to overseas customers. The following table sets forth the breakdown of our revenue by geographical markets in absolute amounts and as percentages 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)			
Geographical markets										
Chinese mainland	3,162,995	100.0	3,208,196	99.9	4,211,858	100.0	1,801,983	100.0	3,403,182	100.0
Overseas	–	–	3,477	0.1	638	0.0	310	0.0[(i)]	90	0.0[(i)]
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) Less than 0.1%

Cost of Sales

Our cost of sales consisted primarily of cost of raw materials, labor costs, and manufacturing costs. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000, except for percentage									
							(Unaudited)			
Cost of raw materials	2,442,789	82.8	2,638,275	84.8	3,430,203	86.4	1,485,101	86.3	2,763,889	88.4
Manufacturing costs	473,748	16.1	435,679	14.0	505,686	12.7	217,773	12.7	340,021	10.9
Labor costs	34,908	1.1	37,936	1.2	35,304	0.9	17,776	1.0	23,206	0.7
Total	**2,951,445**	**100.0%**	**3,111,890**	**100.0%**	**3,971,193**	**100.0%**	**1,720,650**	**100.0%**	**3,127,116**	**100.0%**

The fluctuations of our cost of sales during the Track Record Period was mainly affected by the prices of our raw materials, including primarily copper. Our cost of raw materials represented the single largest component of our cost of sales during the Track Record Period, accounting for 82.8%, 84.8%, 86.4%, 86.3% and 88.4% of our total costs in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The fluctuations of our cost of raw materials during the Track Record Period were generally in line with the fluctuations of the prices of copper foil. For the historical and future fluctuations of the prices of copper, see "Industry Overview — Analysis of Electrolytic Copper Foil Raw Material Prices."

The following table sets forth a breakdown of our cost of sales by product 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	2,592,255	87.8	2,742,264	88.1	3,462,703	87.2	1,485,646	86.4	2,783,097	89.0
– Electronic circuit copper foil	332,650	11.3	360,829	11.6	474,975	12.0	229,291	13.3	262,702	8.4
Sub-total	2,924,905	99.1	3,103,093	99.7	3,937,678	99.2	1,714,937	99.7	3,045,799	97.4
Others	26,540	0.9	8,797	0.3	33,515	0.8	5,713	0.3	81,317	2.6
Total	**2,951,445**	**100.0%**	**3,111,890**	**100.0%**	**3,971,193**	**100.0%**	**1,720,650**	**100.0%**	**3,127,116**	**100.0%**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The following table sets forth a breakdown of our gross profit and gross profit margin by product for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*	Gross profit *(RMB'000)*	Gross profit margin *(%)*
							(Unaudited)			
Copper foil										
– Lithium battery copper foil	224,217	8.0	109,475	3.8	238,203	6.4	80,438	5.1	256,994	8.5
– Electronic circuit copper foil	(9,532)	(3.0)	(9,643)	(2.7)	3,794	0.8	1,825	0.8	17,359	6.2
Sub-total	214,685	6.8	99,832	3.1	241,997	5.8	82,263	4.6	274,353	8.3
Others	(3,135)	(13.4)	(49)	(0.6)	(694)	(2.1)	(620)	(12.2)	1,803	2.2
Total	**211,550**	**6.7%**	**99,783**	**3.1%**	**241,303**	**5.7%**	**81,643**	**4.5%**	**276,156**	**8.1%**

As we adopt a "copper price plus processing fee" pricing model, our gross profit is primarily driven by the processing fee, which is influenced by factors such as market conditions and our technological capabilities. Our gross profit margin is calculated by dividing gross profit by revenue and is therefore affected by both the processing fee and the price of copper. However, because fluctuations in copper prices can generally be passed on to our customers, the processing fee is the key determinant of our gross profit margin. In addition, as sales of lithium battery copper foil accounted for the largest portion of our total sales during each period of the Track Record Period, the gross profit and gross profit margin of lithium battery copper foil have a significant impact on our overall gross profit and overall gross profit margin.

Our business of electronic circuit copper foil was loss-making in 2023 and 2024, primarily due to the slowdown in market growth in the downstream industries. It is common for electronic circuit copper foil manufacturers to record losses in 2023 and 2024 as a result of such market slowdown, according to Frost & Sullivan. During such market slowdown period, we strategically and temporarily changed our focus to our business of lithium battery copper foil which continued to maintain robust market demand, while maintaining a necessary level of the production of electronic circuit copper foil to retain long-term, stable business relationships with important customers, such as those in the PCB and CCL industries. As a result, the production scale of our electronic circuit copper foil business was insufficient to achieve economies of scale. Although we adopted "copper price plus processing fee" pricing model for this business segment, as our cost of sales (such as manufacturing costs) remained at levels that exceeded the processing fees we were able to charge, we recorded losses in this business segment in 2023 and 2024. Benefiting from the strong market demand from the downstream industries, in particular the AI PCB related sectors, the gross profit of our electronic circuit copper turned positive in 2025, and increased significantly from RMB1.8 million in the six months ended June 30, 2025 to RMB17.4 million in the six months ended June 30, 2026. We will continue to closely monitor market conditions and intend to scale up our electronic circuit copper foil business in the AI and high-performance computing and 5G/6G communications industries when market demand improves.

The following table sets forth the breakdown of our gross profit and gross profit margins 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	
	Gross profit (RMB'000)	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*	*Gross profit (RMB'000)*	*Gross profit margin (%)*
							(Unaudited)			
Lithium battery copper foil										
Standard	218,478	8.5	14,834	1.5	41,504	5.1	13,354	3.6	25,206	6.8
High-performance	5,739	2.4	94,641	5.0	196,699	6.8	67,084	5.6	231,788	8.7
Total	**224,217**	**8.0%**	**109,475**	**3.8%**	**238,203**	**6.4%**	**80,438**	**5.1%**	**256,994**	**8.5%**

Gross profit and gross profit margins of high-performance lithium battery copper foil products increased significantly during the Track Record Period, accounting for an increasing portion of our total gross profits during the Track Record Period. This reflected our efforts to strategically expand our high-performance products business and the strong market demand for high-performance copper foil products. Our standard lithium battery copper foil products recorded a low gross profit margin in 2024, primarily due to the low processing fee we charged in 2024 as a result of the temporary oversupply of the lithium battery copper foil market in 2024. We recorded a relatively low gross profit margin for our high-performance lithium battery copper foil products in 2023, primarily because when we started our high performance product business in 2023, we made a large amount of upfront investments and our manufacturing technology was not mature enough back then. The gross profit margins of our high-performance lithium battery copper foil products increased significantly from 2023 to 2024, primarily due to the economies of scales achieved for the production of our high-performance products; while the increases from 2024 to 2025 and from the six months ended June 30, 2025 to the six months ended June 30, 2026 were primarily due to the higher processing fees we charged reflecting the technological advancement of these high-performance products.

Other Income and Gains, Net

Our other income and gains, net consisted primarily of (i) bank interest income; and (ii) government grants and subsidies primarily in relation to additional VAT credit for advanced manufacturing companies, electricity subsidy, research and development projects, industrial subsidy, and fixed assets investments. Most of these government grants and subsidies were given on a one-off basis and at the discretion of the local governments. The government grants and subsidies we received were also uncertain and subject to criteria and procedures stipulated by the local governments, such as the completion of the specified milestones of certain fixed assets investment. The following table sets forth a breakdown of our other income and gains, net for the periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Other income					
Bank interest income	17,275	12,429	15,307	8,771	6,386
Government grants and subsidies	57,107	109,262	62,021	17,692	39,712
Others[(1)]	88	424	425	138	54
Other Gains					
Foreign exchange differences, net	–	1	97	93	1
Total	**74,470**	**122,116**	**77,850**	**26,694**	**46,153**

Note:

(1) Others included primarily damages from suppliers and insurance compensation.

Selling and Marketing Expenses

Our selling and marketing expenses consisted primarily of (i) employee benefits expenses comprising salaries, bonus, commission, social insurance premiums and housing provident fund contributions, stock incentives, for our sales force; and (ii) business development expenses. The following table sets forth the components of our selling and marketing expenses for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000, except for percentage									
							(Unaudited)			
Employee benefits expenses	12,927	59.5	4,460	32.1	5,684	32.9	2,700	38.4	3,104	31.4
Business development expenses	6,585	30.3	7,111	51.2	9,336	54.1	3,513	49.9	5,656	57.2
Others[(1)]	2,210	10.2	2,313	16.7	2,241	13.0	822	11.7	1,132	11.4
Total	**21,722**	**100.0%**	**13,884**	**100.0%**	**17,261**	**100.0%**	**7,035**	**100.0%**	**9,892**	**100.0%**

Note:

(1) Others included primarily travel and transportation expenses as well as reimbursement for on-site support at our clients' premises.

Our selling and marketing expenses decreased from 2023 to 2024, primarily due to a decrease in employee benefits expenses because we granted fewer stock incentives under our employee stock incentive plan to our sales force. Our selling and marketing expenses increased from 2024 to 2025 and from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily due to the increased salaries paid to our sales force and increased business development activities, both as a result of our business expansion.

Administrative Expenses

Our administrative expenses consisted primarily of (i) employee benefit expenses comprising salaries, bonus, stock incentives, social insurance premiums and housing provident fund contributions for our administrative staff; (ii) professional service fees primarily in relation to auditing, legal,

consulting and other fees in the ordinary course of our business; (iii) **[REDACTED]**; (iv) office expenses primarily in relation to utilities, insurance and recruitment; (v) depreciation and amortization; (vi) taxes primarily in relation to property tax and stamp duty; and (vii) business development expenses.

The following table sets forth a breakdown of the components of our administrative expenses for the periods indicated:

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000, except for percentage									
							(Unaudited)			
Employee benefits expenses	40,119	57.9	37,826	62.2	21,745	33.4	8,708	44.3	11,285	35.5
Professional service fees	7,910	11.4	1,616	2.7	4,416	6.8	420	2.1	1,513	4.8
[REDACTED]	–	–	–	–	14,151	21.7	–	–	2,917	9.2
Office expenses	2,334	3.4	2,141	3.5	2,035	3.1	588	3.0	1,696	5.3
Depreciation and amortization expenses	4,365	6.3	4,032	6.6	4,103	6.3	2,151	11.0	2,466	7.8
Taxes	6,225	9.0	6,632	10.9	7,545	11.6	3,453	17.6	5,849	18.4
Business development expenses	5,453	7.9	6,191	10.2	7,391	11.4	3,377	17.2	3,826	12.0
Others[(1)]	2,874	4.1	2,396	3.9	3,677	5.7	944	4.8	2,223	7.0
Total	**69,280**	**100.0%**	**60,834**	**100.0%**	**65,063**	**100.0%**	**19,641**	**100.0%**	**31,775**	**100.0%**

Note:

(1) Others included primarily travel and transportation expenses.

Our administrative expenses decreased from 2023 to 2024, primarily due to (i) a decrease in professional service fees as a result of the suspension of the A-share Listing Plan and (ii) a decrease in employee benefits expenses because we granted fewer stock incentives under our employee stock incentive plan to our management and admin staff. Our administrative expenses increased from 2024 to 2025, primarily due to (i) an increase in **[REDACTED]** and (ii) the increases in professional service fees, taxes, and business development expenses, all of which as a result of our business expansion, as partially offset by a decrease in employee benefits expenses as a result of the fewer stock incentives granted. Our administrative expenses increased from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily due to (i) an increase in employee benefits expenses as result of the expansion of our admin team, (ii) an increase in **[REDACTED]** as a result of this **[REDACTED]** and (iii) an increase in taxes as a result of our increased sales and procurement.

Research and development expenses

Our research and development expenses consisted primarily of (i) materials expenses for the purchase of materials used in research and development activities; (ii) employee benefits expenses; (iii) utilities charges for the consumption of water, electricity and gas; and (iv) depreciation and amortization expenses.

	Years ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000, except for percentage									
							(Unaudited)			
Materials expenses	24,435	45.4	20,673	44.2	21,057	42.6	7,838	36.4	21,005	57.9
Employee benefits expenses	16,471	30.6	15,105	32.3	15,644	31.7	7,882	36.6	9,089	25.1
Utilities charges	9,495	17.6	5,927	12.7	7,152	14.5	3,486	16.2	3,917	10.8
Depreciation and amortization expenses	2,827	5.3	4,338	9.2	4,548	9.2	2,249	10.4	2,191	6.0
Others[(1)]	597	1.1	780	1.6	1,005	2.0	83	0.4	76	0.2
Total	**53,825**	**100.0%**	**46,823**	**100.0%**	**49,406**	**100.0%**	**21,538**	**100.0%**	**36,278**	**100.0%**

Note:

(1) Others related primarily to repair and maintenance of research and development equipment and facilities and travel expenses.

The fluctuation of our research and development expenses between 2023 and 2024 related primarily to our employee stock incentive plan as well as our materials expenses and utilities charges, as a result of our continuous research and development activities. Our research and development expenses remained relatively stable in 2024 and 2025. Our research and development expenses increased from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily due to (i) an increase in materials expenses, as a result of our new and continuous R&D projects, and (ii) an increase in employee benefits expenses, as a result of our expanded R&D team.

Reversal of Impairment Losses/Impairment Losses on Financial Assets, Net

Our reversal of impairment losses/impairment losses on financial assets related primarily to our trade and bills receivables. We use ECL rate determined by our management to measure the loss allowance of our trade and bills receivables. We recorded reversal of impairment losses, net of RMB1.6 million, RMB5.1 million, RMB2.1 million and RMB4.8 million in 2023, 2025 and the six months ended June 30, 2025 and 2026, respectively, while impairment losses on financial assets, net of RMB5.5 million in 2024. During the Track Record Period and up to the Latest Practicable Date, there was no individual impairment loss on our trade and bills receivables.

Other Expenses

Our other expenses included primarily bills discounting fee charged by banks and loss on disposal of fixed assets. The following table sets forth a breakdown of the components of our other expenses for the periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Bills discounting fee	20,831	11,822	16,707	9,020	12,585
Loss on disposal of fixed asset	–	–	2,694	78	113
Others	218	74	974	838	66
Total	**21,049**	**11,896**	**20,375**	**9,936**	**12,764**

Note:

(1) Others represented non-operating expenses, such as donations and late tax overdue payment.

Finance Costs

Our finance costs consisted of interests expenses on interest-bearing bank and other borrowings and lease liabilities. The following table sets forth a breakdown of the components of our finance costs for the periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest on interest-bearing bank and other borrowings	48,366	61,365	68,202	39,433	51,880
Interest on lease liabilities	149	239	163	137	26
Less: Interest capitalized	–	–	–	–	(4,126)
Total	**48,515**	**61,604**	**68,365**	**39,570**	**47,780**

Income Tax Expense

We are subject to income tax on an entity basis in the jurisdictions where our subsidiaries are domiciled and operate. Under the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得税法》) and the respective regulations ("**EIT Law**"), the applicable statutory tax rate of our PRC subsidiaries is 25% unless those subject to tax exemption set out below. We were granted the qualification of High and New Technology Enterprises ("**HNTE**") in 2019 and passed the review of qualification as a high-tech enterprise in 2022 and 2025, and one of our subsidiaries was granted the HNTE in November 2023. Therefore, these entities were entitled to a preferential EIT rate of 15% during the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC for every three years. In addition, certain of our subsidiaries enjoyed the super deduction allowance for qualified research and development costs, where enterprises engaging in research and development activities are entitled to claim 200% of the research and development costs incurred as tax-deductible expenses when determining their assessable profits from January 1, 2022.

Our income tax expense consisted of current income tax and deferred tax credit. The following table sets forth a breakdown of our income tax expense for the periods indicated:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current income tax	14,119	4,258	6,383	4,676	20,641
Deferred tax (credit)/charge	(3,974)	(3,488)	3,603	(5,238)	3,058
Total tax charge/(credit)	**10,145**	**770**	**9,986**	**(562)**	**23,699**

Our effective income tax rate, representing income tax expense divided by profit before tax, decreased from 13.9% in 2023 to 3.6% in 2024, primarily due to a decrease in our taxable profit in 2024. Our effective income tax rate increased from 3.6% in 2024 to 9.6% in 2025, and further to 12.6% in the six months ended June 30, 2026, primarily due to our improved profitability.

During the Track Record Period and up to the Latest Practicable Date, we had paid all income tax expenses that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased significantly by 88.8% from RMB1,802.3 million in the six months ended June 30, 2025 to RMB3,403.3 million in the six months ended June 30, 2026, primarily due to our increased sales of lithium battery copper foil products.

Our revenue generated from lithium battery copper foil increased from RMB1,566.1 million in the six months ended June 30, 2025 to RMB3,040.1 million in the six months ended June 30, 2026, primarily due to the increases in both sales volume and selling prices as a result of the strong market demand from the downstream markets, such as the power and energy storage sectors.

Our revenue generated from electronic circuit copper foil increased from RMB231.1 million in the six months ended June 30, 2025 to RMB280.1 million in the six months ended June 30, 2026, primarily due to the increases in selling prices as a result of the increased market demand in various downstream industries, such as AI PCB and automotive electronics.

Cost of Sales

Our cost of sales increased by 81.7% from RMB1,720.7 million in the six months ended June 30, 2025 to RMB3,127.1 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB1,278.8 million in costs of raw materials as a result of (a) our increased sales and (b) the increased prices of copper generally in line with the market trend, and (ii) an increase of RMB122.2 million in manufacturing costs as a result of our increased sales.

Gross Profit and Gross Profit Margins

Our gross profit increased significantly by 238.2% from RMB81.6 million in the six months ended June 30, 2025 to RMB276.2 million in the six months ended June 30, 2026, and our gross profit margin increased from 4.5% in the six months ended June 30, 2025 to 8.1% in the six months ended June 30, 2026. The increases in our gross profits and gross profit margin were primarily due to the increases in the gross profit and gross profit margin of our lithium battery copper foil products, the sales of which constituted the largest portion of our total revenue.

Gross profit of our lithium battery copper foil increased significantly from RMB80.4 million in the six months ended June 30, 2025 to RMB257.0 million in the six months ended June 30, 2026, and gross profit margin of our lithium battery copper foil increased from 5.1% in the six months ended June 30, 2025 to 8.5% in the six months ended June 30, 2026. Such increases were primarily due to (i) the increasing, robust demand in the lithium battery copper foil market, resulting in the increases in our sales volume and bargaining power to charge higher processing fees, as the case may be, and (ii) more sales of our high-performance lithium battery copper foil products, which can charge higher processing fees and have higher margins.

Gross profit of our electronic circuit copper foil increased significantly from RMB1.8 million in the six months ended June 30, 2025 to RMB17.4 million in the six months ended June 30, 2026, and gross profit margin of our electronic circuit copper foil increased from 0.8% in the six months ended

June 30, 2025 to 6.2% in the six months ended June 30, 2026. Such increases were primarily due to the strong demand in the electronic circuit copper foil market, resulting in the increases in our bargaining power to charge higher processing fee, as the case may be.

Other income and gains, net

Our other income and gains, net increased by 72.9% from RMB26.7 million in the six months ended June 30, 2025 to RMB46.2 million in the six months ended June 30, 2026, primarily due to an increase of RMB22.0 million in government grants and subsidies in relation to additional VAT credit for advanced manufacturing companies and one-off industrial development grants for Sichuan Tongbo, partially offset by a decrease of RMB2.4 million in bank interest income.

Selling and Marketing expenses

Our selling and marketing expenses increased by 40.6% from RMB7.0 million in the six months ended June 30, 2025 to RMB9.9 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB0.4 million in employee benefit expenses and (ii) an increase of RMB2.1 million in business development activities, both as a result of our business expansion.

Administrative expenses

Our administrative expenses increased by 61.8% from RMB19.6 million in the six months ended June 30, 2025 to RMB31.8 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB2.6 million in employee benefits expenses as a result of the expansion of our admin team, (ii) an increase of RMB2.9 million in **[REDACTED]** as a result of this **[REDACTED]**, and (iii) an increase of RMB2.4 million in taxes as a result of our increased sales and procurement.

Research and Development expenses

Our research and development expenses increased by 68.4% from RMB21.5 million in the six months ended June 30, 2025 to RMB36.3 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB13.2 million in material expenses, as a result of our new and continuous R&D projects, such as for AI PCB, and (ii) an increase of RMB1.2 million in employee benefits expenses, as a result of our expanded R&D team.

Reversal of impairment losses/(impairment losses) on financial assets, net

We recorded reversal of RMB2.1 million on impairment losses on financial assets, net in the six months ended June 30, 2025, primarily due to the settlement of trade receivables with a battery manufacturer. We recorded reversal of RMB4.8 million on impairment losses on financial assets, net in the six months ended June 30, 2026, primarily due to the decreases in trade and bills receivables as a result of our enhanced management of trade and bills receivables.

Other expenses

Our other expenses increased by 28.5% from RMB9.9 million in the six months ended June 30, 2025 to RMB12.8 million in the six months ended June 30, 2026, primarily due to an increase of RMB3.6 million in bills discounting fee as a result of more bank acceptance notes received, in line with our revenue growth.

Finance costs

Our finance costs increased by 20.7% from RMB39.6 million in the six months ended June 30, 2025 to RMB47.8 million in the six months ended June 30, 2026, primarily due to an increase of RMB12.4 million in interest on interest-bearing bank and other borrowings as a result of more bank loans and other borrowings to support our business expansion and capital expenditures for the construction of our new manufacturing facilities.

Income tax (expense)/credit

We recorded income tax credit of RMB0.6 million in the six months ended June 30, 2025, primarily due to the recognition of deferred tax assets as a result of the losses incurred by our Company, notwithstanding our overall profitability. We recorded income tax expense of RMB23.7 million in the six months ended June 30, 2026, primarily due to our improved profitability.

Profit for the period

Our profit for the period increased significantly by 1,141.9% from RMB13.3 million in the six months ended June 30, 2025 to RMB164.9 million in the six months ended June 30, 2026, and our net profit margin increased from 0.7% in the six months ended June 30, 2025 to 4.8% in the six months ended June 30, 2026. The increases in our net profits and net profit margin were primarily due to (i) the increasing, robust demand in the lithium battery copper foil market, which constituted the largest portion of our revenue, resulting in our stronger bargaining power to charge higher processing fees, and (ii) the increase in the sales of our high-performance lithium battery copper foil products and electronic circuit copper foil products which have higher net profit margin.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 31.2% from RMB3,211.7 million in 2024 to RMB4,212.5 million in 2025, primarily due to our increased sales of lithium battery copper foil products.

Our revenue generated from lithium battery copper foil increased from RMB2,851.7 million in 2024 to RMB3,700.9 million in 2025, primarily due to our increased sales volume and selling prices as a result of the strong market demand in the lithium battery industry, such as the power and energy storage sectors.

Our revenue generated from electronic circuit copper foil increased from RMB351.2 million in 2024 to RMB478.8 million in 2025, primarily due to our increased sales volume and selling prices as a result of the increased market demand in various downstream industries, such as AI PCB and automotive electronics.

Cost of sales

Our cost of sales increased by 27.6% from RMB3,111.9 million in 2024 to RMB3,971.2 million in 2025, primarily due to (i) an increase of RMB791.9 million in costs of raw materials as a result of the increased prices of copper, generally in line with the market trend, and (ii) an increase of RMB70.0 million in manufacturing costs as a result of our increased sales.

Gross Profit and Gross Profit Margins

Our gross profit increased significantly by 141.8% from RMB99.8 million in 2024 to RMB241.3 million in 2025, and our gross profit margin increased from 3.1% in 2024 to 5.7% in 2025. The increases in both our gross profit and gross profit margin were primarily due to the increases in the gross profit and gross profit margin of our lithium battery copper foil products, the sales of which constituted the largest portion of our total revenue.

Gross profit of our lithium battery copper foil increased significantly from RMB109.5 million in 2024 to RMB238.2 million in 2025, and gross profit margin of our lithium battery copper foil increased from 3.8% in 2024 to 6.4% in 2025. Such increases were primarily due to (i) the increasing, robust demand in the lithium battery copper foil market, resulting in the increases in our sales volume and bargaining power to charge higher processing fees, as the case may be, and (ii) more sales of our high-performance lithium battery copper foil products, which can charge higher processing fees and have higher margins.

Our electronic circuit copper foil business recorded gross loss of RMB9.6 million and negative gross margin of 2.7% in 2024, while gross profit of RMB3.8 million and gross profit margin of 0.8% in 2025. Such change from gross loss and negative gross margins to gross profit and gross profit margin were primarily due to the increased demand in the electronic circuit copper foil market, resulting in the increases in our sales volume and our bargaining power to charge higher processing fee, as the case may be.

Other income and gains, net

Our other income and gains, net decreased by 36.2% from RMB122.1 million in 2024 to RMB77.9 million in 2025, primarily due to a decrease of RMB47.2 million in government grants and subsidies as a result of the cessation of electricity subsidy, partially offset by an increase of RMB2.9 million in bank interest income.

Selling and Marketing expenses

Our selling and marketing expenses increased by 24.3% from RMB13.9 million in 2024 to RMB17.3 million in 2025, primarily due to an increase of RMB1.2 million in employee benefit expenses and an increase of RMB2.2 million in business development expenses, reflecting our continuous efforts to market our products, in line with our revenue growth.

Administrative expenses

Our administrative expenses increased by 7.0% from RMB60.8 million in 2024 to RMB65.1 million in 2025, primarily due to a (i) an increase of RMB14.2 million in **[REDACTED]** and (ii) the increases of RMB4.9 million in professional service fees, taxes, and business development expenses, all of which as a result of our business expansion, as partially offset by a decrease of RMB16.1 million in employee benefits expenses as a result of the fewer stock incentives granted to our management and admin staff.

Research and Development expenses

Our research and development expenses increased by 5.5% from RMB46.8 million in 2024 to RMB49.4 million in 2025, primarily due to our new research and development projects for solid-state batteries and high-value downstream industries, such as ESS and AI PCB.

Reversal of impairment losses/(impairment losses) on financial assets, net

We recorded RMB5.5 million of impairment losses on financial assets, net in 2024, as a result of our provision for impairment losses on our trade and bills receivables based on pre-determined ECL rate. We recorded reversal of RMB5.1 million on reversal of impairment losses on financial assets, net in 2025, primarily due to the settlement of trade receivables with a battery manufacturer.

Other expenses

Our other expenses increased by 71.3% from RMB11.9 million in 2024 to RMB20.4 million in 2025, primarily due to an increase of RMB4.9 million in bills discounting fee, in line with our revenue growth.

Finance costs

Our finance costs increased by 11.0% from RMB61.6 million in 2024 to RMB68.4 million in 2025, primarily due to an increase of RMB6.8 million in interest on interest-bearing bank and other borrowings as a result of more bank loans and other borrowings to support our business expansion and capital expenditures for the construction of our new manufacturing facility in Sichuan Province.

Income tax expense

Our income tax expense increased from RMB0.8 million in 2024 to RMB10.0 million in 2025, primarily due to our improved profitability.

Profit for the period

Our profit for the period increased significantly by 355.9% from RMB20.6 million in 2024 to RMB93.8 million in 2025, and our net profit margin increased from 0.6% in 2024 to 2.2% in 2025. The increases in our net profit and net profit margin were primarily due to (i) the increasing, robust demand in the lithium battery copper foil market, which constituted the largest portion of our revenue, resulting in our stronger bargaining power to charge higher processing fees, and (ii) the upgrade of certain lithium battery copper foil products in 2024 resulting in a significant increase in the sales of our high-performance lithium battery copper foil products which have higher net profit margin.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue remained relatively stable at RMB3,211.7 million in 2024, as compared to RMB3,163.0 million in 2023.

Our revenue generated from lithium battery copper foil increased from RMB2,816.5 million in 2023 to RMB2,851.7 million in 2024, primarily due to the increase in copper price.

Our revenue generated from electronic circuit copper foil increased from RMB323.1 million in 2023 to RMB351.2 million in 2024, primarily due to the increase in copper price.

Cost of Sales

Our cost of sales increased by 5.4% from RMB2,951.4 million in 2023 to RMB3,111.9 million in 2024, primarily due to an increase of RMB195.5 million in cost of raw materials as a result of the increased prices of copper, in line with market trend, as partially offset by a decrease of RMB38.1 million in manufacturing costs as a result of our adoption of advanced technologies to have effectively controlled our manufacturing costs.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 52.8% from RMB211.6 million in 2023 to RMB99.8 million in 2024, and our gross profit margin decreased from 6.7% in 2023 to 3.1% in 2024. The decreases in both our gross profit and gross profit margin were primarily due to the decreases in the gross profit and gross profit margin of our lithium battery copper foil products, the sales of which constituted the largest portion of our total revenue.

Gross profit of our lithium battery copper foil decreased from RMB224.2 million in 2023 to RMB109.5 million in 2024, and gross profit margin of our lithium battery copper foil decreased from 8.0% in 2023 to 3.8% in 2024. Such decreases were primarily due to the temporary oversupply in the lithium battery copper foil market, resulting in a decrease in our processing fees.

Our electronic circuit copper foil business recorded gross loss of RMB9.5 million and RMB9.6 million in 2023 and 2024, respectively, and negative gross margin of 3.0% and 2.7% in the same respective periods. Such narrowed negative gross margins were primarily due to the increased demand in the electronic circuit copper foil market, resulting in the increases in our bargaining power to charge higher processing fee.

Other income and gains, net

Our other income increased by 63.9% from RMB74.5 million in 2023 to RMB122.1 million in 2024, primarily due to an increase of RMB52.2 million in government grants and subsidies as a result of the additional VAT credit for advanced manufacturing companies and the electricity subsidy, partially offset by a decrease of RMB4.8 million in bank interest income.

Selling and Marketing expenses

Our selling and marketing expenses decreased by 35.9% from RMB21.7 million in 2023 to RMB13.9 million in 2024, primarily due to a decrease of RMB8.3 million in employee benefits expenses as a result of the fewer stock incentives we granted to our sales force in 2024.

Administrative expenses

Our administrative expenses decreased by 12.3% from RMB69.3 million in 2023 to RMB60.8 million in 2024, primarily due to (i) a decrease of RMB6.3 million in professional service fees as a result of the suspension of our previous A-share Listing Plan in 2024, and (ii) a decrease of RMB2.7 million in employee benefits expenses as a result of the fewer stock incentives we granted to our management and admin staff in 2024.

Research and Development expenses

Our research and development expenses decreased by 13.0% from RMB53.8 million in 2023 to RMB46.8 million in 2024, primarily due to the decreases in material expenses and electricity utilities as a result of the planned outrage and maintenance of certain facilities for research and development activities.

Reversal of impairment losses/(impairment losses) on financial assets, net

We recorded reversal of RMB1.6 million on impairment losses on financial assets, net in 2023, primarily due to the decrease in the balance in trade and bills receivables in 2023 as a result of our efforts to accelerate the collection of trade and bills receivables. We recorded RMB5.5 million of impairment losses on financial assets, net in 2024, as a result of our provision for impairment losses on our trade and bills receivables based on pre-determined ECL rate.

Other expenses

Our other expenses decreased by 43.3% from RMB21.0 million in 2023 to RMB11.9 million in 2024, primarily due to a decrease of RMB9.0 million in bills discounting fee, in line with our revenue growth.

Finance costs

Our finance cost increased by 27.0% from RMB48.5 million in 2023 to RMB61.6 million in 2024, primarily due to an increase of RMB13.0 million in interest on interest-bearing bank and other borrowings as a result of new borrowings to support our business operations.

Income tax expense

Our income tax expense decreased by 92.1% from RMB10.1 million in 2023 to RMB0.8 million in 2024, primarily due to tax a decrease in our taxable profits.

Profit for the year

Our profit for the year decreased by 67.4% from RMB63.1 million in 2023 to RMB20.6 million in 2024, and our net profit margin decreased from 2.0% in 2023 to 0.6% in 2024. The decreases in both our net profit and net profit margin were primarily due to the temporary oversupply in the lithium battery copper foil market resulting in a decrease in our processing fee.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	1,098,754	1,017,635	1,141,423	1,699,169
Right-of-use assets	29,228	29,101	43,922	43,351
Intangible assets	1,565	1,389	1,212	1,778
Deferred tax assets	17,692	21,180	17,577	14,519
Prepayments, other receivables and other assets	422	8,488	40,353	35,902
Time deposits	307,782	–	–	–
Total non-current assets	**1,455,443**	**1,077,793**	**1,244,487**	**1,794,719**
CURRENT ASSETS				
Inventories	398,357	421,202	525,153	874,093
Trade and bills receivables	1,191,514	1,727,785	1,913,388	1,695,833
Prepayments, other receivables and other assets	54,593	56,224	102,270	133,596
Income tax recoverable	9,229	9,804	–	–
Time deposits	–	322,109	170,045	129,941
Restricted cash	–	1,751	32,104	–
Pledged deposits	44,000	463,585	444,396	1,015,577
Cash and cash equivalents	219,746	107,078	406,196	721,232
Total current assets	**1,917,439**	**3,109,538**	**3,593,552**	**4,570,272**
CURRENT LIABILITIES				
Trade and bills payables	278,587	455,210	441,225	618,524
Other payables and accruals	124,514	86,616	174,905	350,580
Contract liabilities	269	545	320	1,222
Interest-bearing bank and other borrowings	1,169,535	2,004,127	2,333,586	2,954,627
Lease liabilities	705	4,533	5,499	6,108
Deferred income	7,215	8,367	8,771	8,472
Tax payable	3,022	4,448	7,705	6,775
Total current liabilities	**1,583,847**	**2,563,846**	**2,972,011**	**3,946,308**
NET CURRENT ASSETS	333,592	545,692	621,541	623,964
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,789,035**	**1,623,485**	**1,866,028**	**2,418,683**
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	370,365	163,831	206,652	507,514
Deferred income	82,455	84,284	79,544	82,308
Lease liabilities	2,467	554	553	664
Total non-current liabilities	455,287	248,669	286,749	590,486
Net assets	**1,333,748**	**1,374,816**	**1,579,279**	**1,828,197**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) buildings and constructions; (ii) production equipment; (iii) office equipment and electronic vehicles; (iv) vehicles, and (v) construction in progress.

Our property, plant and equipment remained relatively stable at RMB1,098.8 million as of December 31, 2023, RMB1,017.6 million as of December 31, 2024, and RMB1,141.4 million as of December 31, 2025. Our property, plant and equipment increased from RMB1,141.4 million as of December 31, 2025 to RMB1,699.2 million as of June 30, 2026, primarily due to the continuous construction of our existing and new production facilities.

Right-of-use assets

Our right-of-use assets consisted of plant and properties and leasehold land. The following table sets forth the carrying amount of our right-of-use assets as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets:				
Leased plant and properties	1,669	2,147	1,783	1,851
Leasehold land	27,559	26,954	42,139	41,500
Total	**29,228**	**29,101**	**43,922**	**43,351**

Our right-of-use assets remained relatively stable at RMB29.2 million as of December 31, 2023 and RMB29.1 million as of December 31, 2024. Our right-of-use assets increased from RMB29.1 million as of December 31, 2024 to RMB43.9 million as of December 31, 2025, primarily due to an increase of RMB15.2 million in leasehold land in relation to our new manufacturing plant in Sichuan Province. Our right-of-use assets remained relatively stable at RMB43.4 million as of June 30, 2026 as compared to RMB43.9 million as of December 31, 2025.

Inventories

Our inventories consisted of raw materials, finished goods and work in progress. The following table sets forth the carrying value of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	30,756	28,259	30,952	27,422
Finished goods	176,708	180,000	162,722	350,792
Work in progress	207,254	225,084	333,558	499,287
Total	**414,718**	**433,343**	**527,232**	**877,501**
Less: Provision for impairment losses on inventories	(16,361)	(12,141)	(2,079)	(3,408)
	398,357	**421,202**	**525,153**	**874,093**

The carrying value of our inventories before provision for impairment losses on inventories increased from RMB414.7 million as of December 31, 2023 to RMB433.3 million as of December 31, 2024, and further to RMB527.2 million as of December 31, 2025, primarily due to the increases in copper prices during the Track Record Period. The carrying value of our inventories before provision for impairment losses on inventories increased from RMB527.2 million as of December 31, 2025 to RMB877.5 million as of June 30, 2026, primarily due to (i) our storage of more copper foil products in line with our increased sales, and (ii) the increase in copper prices.

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	408,474	429,665	523,776	874,387
Over one year	6,244	3,678	3,456	3,114
Total	**414,718**	**433,343**	**527,232**	**877,501**

Substantially all of our inventories were utilized within one year during the Track Record Period. We have implemented a strict inventory management system at our headquarters level to monitor the procurement, storage and distribution of inventories. We typically conduct monthly reviews on inventories to check the raw materials, goods and packaging materials on hand against the records in operating systems. Our inventories are generally consumed under a "first-in, first-out" principle. See "Business — Warehousing, Logistics and Inventory Management" for details of our inventory management policies. We periodically assess the impairment on our inventories. In particular, we review our inventories as of the end of each accounting period and record impairment losses on inventories if we estimate the relevant inventories could not be utilized before the end of their validity period.

The following table sets forth the number of our inventory turnover days for the periods indicated:

	Years ended December 31,			As of June 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	48.1	48.1	43.5	40.5

Note:

(1) Inventory turnover days were calculated based on the average of opening and closing inventory balance divided by cost of sales for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2023, 2024 and 2025 and 181 days for the six months ended June 30, 2026.

Our inventory turnover days remained stable at 48.1 days in both 2023 and 2024, respectively, while decreased to 43.5 days in 2025 and further to 40.5 days in the six months ended June 30, 2026, reflecting strong market demand for our electrolytic copper foil products during the Track Record Period.

As of July 31, 2026, approximately RMB730.7 million, or 83.3% of our inventories as of June 30, 2026, had been subsequently consumed or sold.

Trade and Bills Receivables

Our trade and bills receivables represent primarily receivables due from our customers and bank acceptance notes issued by our customers for the purchase of our products. The following table sets forth our trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	963,163	1,335,451	1,703,172	1,104,257
Bank acceptance notes	238,435	407,887	220,043	596,976
Commercial acceptance bills	–	–	500	–
Less: impairment losses	(10,084)	(15,553)	(10,327)	(5,400)
Total	**1,191,514**	**1,727,785**	**1,913,388**	**1,695,833**

Our trade and bills receivables increased from RMB1,191.5 million as of December 31, 2023 to RMB1,727.8 million as of December 31, 2024, and further to RMB1,913.4 million as of December 31, 2025. This increasing trend is generally in line with the growth of our revenue during the Track Record Period. Our trade and bills receivables decreased from RMB1,913.4 million as of December 31, 2025 to RMB1,695.8 million as of June 30, 2026, primarily due to a decrease of RMB598.9 million in trade receivables as a result of shortened credit terms, partially offset by an increase of RMB376.9 million in bank acceptance notes in line with our revenue growth.

We apply the simplified approach in calculating ECLs for trade and bills receivables. Trade and commercial acceptance bills relating to our customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables and commercial acceptance bills receivables are grouped and collectively assessed for impairment allowance. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of receivables for groups of customers that have similar credit rating. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy. We recorded impairment losses for trade and bills receivables of RMB10.1 million, RMB15.6 million, RMB10.3 million and RMB5.4 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Most of trade and bills receivables are settled within one year since their due dates. Our bank acceptance notes aged within one year were neither past due nor impaired. The accepting banks are reputable financial institution, therefore our management assessed that the credit loss would be minimal. The following table sets forth aging analysis of our trade and bills receivables, based on the invoice date, as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	1,191,121	1,723,969	1,913,335	1,695,818
One to two years	99	3,806	15	15
Two to three years	294	10	38	–
Total	**1,191,514**	**1,727,785**	**1,913,388**	**1,695,833**

The following table sets forth the number of our trade and bills receivables turnover days for the periods indicated:

	Years ended December 31,			As of June 30,
	2023	2024	2025	2026
Trade and bills receivables turnover days[(i)]	132.2	165.9	157.7	96.0

Note:

(i) Trade and bills receivables turnover days were calculated based on the average of opening and closing balance of trade and bills receivables divided by revenue for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2023, 2024 and 2025 and 181 days for the six months ended June 30, 2026.

Our trade and bills receivables turnover days increased from 132.2 days in 2023 to 165.9 days in 2024, primarily due to the continually long payment collection period as a result of the market slowdown in 2024. Our trade and bills receivables turnover days decreased from 165.9 days in 2024 to 157.7 days in 2025, and further to 96.0 days in the six months ended June 30, 2026, primarily due to our stronger bargaining power to shorten credit terms with our customers.

We provide credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. We seek to maintain strict control over our outstanding receivables and has a credit control department to minimize credit risk. We do not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing. We had not experienced any material failure to collect trade and bills receivables from our customers during the Track Record Period and up to the Latest Practicable Date. We believe that the recoverability of our trade and bills receivables is reasonably assured, and our provisions for impairment of trade and notes receivables are sufficient, primarily because (i) our management regularly reviews our trade and notes receivable balance and monitors the progress on the recoverability of our trade and notes receivables, and (ii) we communicate with our customers on a regular basis during our ordinary course of business with respect to trade and notes receivables. Our provision policy for impairment of trade and notes receivables is based on ongoing evaluation of the recoverability and aging analysis of the outstanding trade and notes receivables and our management's prudent judgment. For details regarding the impairment of trade receivables, see Note 20 to the Accountants' Report in Appendix I to this document.

As of July 31, 2026, approximately RMB349.5 million, or 31.7% of our trade and bills receivables as of June 30, 2026, had been subsequently settled.

Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets comprised of (i) VAT and other tax recoverable in relation to deductible input VAT, (ii) prepayments to suppliers primarily for raw materials, (iii) deposits and other receivables in relation to housing leases and petty cash for employees, (iv) prepaid **[REDACTED]** expenditures, and (v) prepayment for long-term assets in relation to construction project. The following table sets forth the balances of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
VAT and other tax recoverable	52,368	46,694	65,266	82,572
Prepayments to suppliers	1,603	8,850	33,554	41,979
Deposits and other receivables	759	857	1,136	6,410
Prepayment of **[REDACTED]**	–	–	2,516	2,947
Less: Impairment allowance	(137)	(177)	(202)	(312)
Subtotal	54,593	56,224	102,270	133,596
Non-current:				
Prepayments for long-term assets	422	8,488	40,353	35,902
Total	**55,015**	**64,712**	**142,623**	**169,498**

Our prepayments, other receivables and other assets increased from RMB55.0 million as of December 31, 2023 to RMB64.7 million as of December 31, 2024, and further to RMB142.6 million as of December 31, 2025, primarily due to the increases in prepayments to suppliers, VAT and other tax recoverable, and prepayments for long-terms assets, as a result of the construction of our new product line in Shengeng Plant and our another manufacturing facility in Sichuan Province. Our prepayments, other receivables and other assets increased from RMB142.6 million as of December 31, 2025 to RMB169.5 million as of June 30, 2026, primarily due to the increases in VAT and other tax recoverable and prepayment to suppliers, as a result of the construction of our new manufacturing facility in Sichuan Province.

At the end of each period of the Track Record Period, the ECLs of our financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime ECL. An impairment analysis was performed at the end of each reporting periods. We maintain strict control over our outstanding receivables to minimize credit risk. Long aging balances are reviewed regularly by our management. Considering our prepayments, other receivables and other assets are related to diversified counterparties, there is no significant concentration of credit risk. We do not hold any collateral or other credit enhancements over our deposits and other receivable balances.

As of July 31, 2026, approximately RMB61.5 million, or 77.6% of our prepayments, other receivables and other assets as of June 30, 2026, had been settled.

Cash and Cash Equivalents

Our cash and cash equivalents, which are denominated in RMB and USD, comprised (i) cash and bank balances, (ii) pledged time deposits, (iii) pledged deposits, and (iv) restricted deposits.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	571,528	894,523	1,052,741	1,866,750
Less: Pledged time deposits[(i)]	307,782	322,109	170,045	129,941
Less: Pledged deposits[(ii)]	44,000	463,585	444,396	1,015,577
Less: Restricted deposits[(iii)]	–	1,751	32,104	–
Cash and cash equivalents	**219,746**	**107,078**	**406,196**	**721,232**

Note:

(i) Pledged time deposits of RMB307,782,000, RMB322,109,000, RMB170,045,000 and RMB129,941,000 were pledged to banks as collateral for issuance of bank acceptance notes as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

(ii) Pledged deposits represented bank deposits of RMB44,000,000, RMB463,585,000, RMB444,396,000 and RMB1,015,577,000 which were pledged to banks as collateral for issuance of bank acceptance notes as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

(iii) Restricted deposits represented bank deposits of nil, RMB1,751,000, RMB32,104,000 and nil which were restricted due to litigation and insurance, or pledged for the repayment of bank loans as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The restricted deposits of RMB26,000,000 as of December 31, 2025 was released in January 2026 to fully settle the relevant bank loans.

Our cash and bank balances kept increasing as of the end of each of the Track Record Period, as a result of our cumulative operating cash inflow. The decrease in our cash and cash equivalents from 219.7 million as of December 31, 2023 to RMB107.1 million as of December 31, 2024 was primarily because certain amounts of our bank balances were pledged or restricted.

Trade and Bills Payables

Our trade and bills payables represented primarily amounts due to suppliers for raw materials, primarily copper, and plant and equipment.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	121,529	173,034	266,645	471,284
Bills payables	157,058	282,176	174,580	147,240
Total	**278,587**	**455,210**	**441,225**	**618,524**

Our trade and bills payables increased from RMB278.6 million as of December 31, 2023 to RMB455.2 million as of December 31, 2024, primarily because we used more bank acceptance notes for settlement with our suppliers which has a longer settlement period than cash settlement. Our trade and bills payables decreased from RMB455.2 million as of December 31, 2024 to RMB441.2 million as of December 31, 2025, primarily due to our suppliers' re-negotiation with us to settle with cash payments in light of the growing copper market. Our trade and bills payables increased from RMB441.2 million as of December 31, 2025 to RMB618.5 million as of June 30, 2026, in line with our rapid business expansion.

The following table sets forth an aging analysis of our trade and bills payables, based on the invoice date, as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	274,040	449,452	434,277	613,729
One to two years	3,035	2,267	3,398	293
Two to three years	832	2,024	575	1,504
Over three years	680	1,467	2,975	2,998
	278,587	**455,210**	**441,225**	**618,524**

Substantially all of our trade and bills payables are short-term in nature, settled within one year.

The following table sets forth the number of our trade and bills payables turnover days for the periods indicated:

	Years ended December 31,			As of June 30,
	2023	2024	2025	2026
Trade and bills payables turnover days[(i)]	42.7	43.0	41.2	30.7

Note:

(i) Trade and bills payables turnover days were calculated based on the average of opening and closing trade and bills payables balance divided by cost of sales for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2023, 2024 and 2025 and 181 days for the six months ended June 30, 2026.

Our trade and bills payables turnover days remained relatively stable at 42.7 days in 2023, 43.0 days in 2024, 41.2 days in 2025. Our trade and bills payables turnover days decreased from 41.2 days in 2025 to 30.7 days in the six months ended June 30, 2026, primarily due to the shortened credit terms granted by our suppliers as a result of the extremely high demand for copper.

As of July 31, 2026, approximately RMB358.7 million or 58.0% of our trade payables as of June 30, 2026, had been subsequently settled.

Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

Other Payables and Accruals

Our other payables and accruals consisted primarily of (i) payroll and welfare payable; (ii) deposits for construction projects and logistics service; (iii) payable for constructions and purchase of equipment; (iv) accrual expense in relation to employee reimbursement; and (v) other tax payables other than income tax payables. The following table sets forth our other payables and accruals of the dates indicated:

	As of December 31,			As of June 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	14,807	16,759	16,914	15,268
Payable for constructions and purchase of equipments	97,709	65,383	139,136	330,708
Deposits and other payables	3,093	2,201	2,406	1,173
Other tax payables	8,905	2,273	6,032	3,431
[REDACTED]	–	–	10,417	–
Total	**124,514**	**86,616**	**174,905**	**350,580**

Our other payables and accruals decreased from RMB124.5 million as of December 31, 2023 to RMB86.6 million as of December 31, 2024, primarily due to the decreases in the balance of payable for constructions and purchase of equipment along with the gradual completion of our construction of new production line in Shengeng Plant. Our other payables increased from RMB86.6 million as of December 31, 2024 to RMB174.9 million December 31, 2025, primarily due to (i) an increase in the balance of payable for constructions and purchase of equipment for our new manufacturing facilities and (ii) an increase in **[REDACTED]**. Our other payables and accruals increased from RMB174.9 million as of December 31, 2025 to RMB350.6 million as of June 30, 2026, primarily due to an increase in the balance of payable for constructions and purchase of equipment for our new manufacturing facility in Sichuan Province.

As of July 31, 2026, approximately RMB171.2 million, or 48.8% of our other payables and accruals as of June 30, 2026, had been settled.

NET CURRENT ASSETS

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current assets					
Inventories	398,357	421,202	525,153	874,093	919,303
Trade and bills receivables	1,191,514	1,727,785	1,913,388	1,695,833	2,187,016
Prepayments, other receivables and other assets	54,593	56,224	102,270	133,596	116,704
Income tax recoverable	9,229	9,804	–	–	–
Time deposits	–	322,109	170,045	129,941	130,079
Restricted cash	–	1,751	32,104	–	–
Pledged deposits	44,000	463,585	444,396	1,015,577	1,008,784
Cash and cash equivalents	219,746	107,078	406,196	721,232	260,882
Total current assets	**1,917,439**	**3,109,538**	**3,593,552**	**4,570,272**	**4,622,768**
Current liabilities					
Trade and bills payables	278,587	455,210	441,225	618,524	791,686
Other payables and accruals	124,514	86,616	174,905	350,580	360,027
Contract liabilities	269	545	320	1,222	2,969
Interest-bearing bank and other borrowings	1,169,535	2,004,127	2,333,586	2,954,627	2,742,126
Lease liabilities	705	4,533	5,499	6,108	6,249
Deferred income	7,215	8,367	8,771	8,472	8,705
Tax payable	3,022	4,448	7,705	6,775	10,495
Total current liabilities	**1,583,847**	**2,563,846**	**2,972,011**	**3,946,308**	**3,922,257**
Net current asset	**333,592**	**545,692**	**621,541**	**623,964**	**700,511**

We had net current assets of RMB700.5 million as of July 31, 2026, consisting of total current assets of RMB4,622.8 million and total current liabilities of RMB3,922.3 million, which represented an increase of RMB76.5 million from our net current asset of RMB624.0 million as of June 30, 2026. This increase was primarily due to (i) an increase of RMB45.2 million in inventories, (ii) an increase of RMB491.2 million in trade and bills receivables, and (iii) a decrease of RMB212.5 million in interest-bearing bank and other borrowings. This was partially offset by (i) a decrease of RMB16.9 million in prepayments, deposits and other receivables, (ii) a decrease of RMB467.0 million in cash and bank balances, (iii) an increase of RMB173.2 million in trade and bills payables, and (iv) an increase of RMB9.4 million in other payables and accruals.

We had net current assets of RMB624.0 million as of June 30, 2026, consisting of total current assets of RMB4,570.3 million and total current liabilities of RMB3,946.3 million, which represented an increase of RMB2.4 million from our net current asset of RMB621.5 million as of December 31, 2025. This increase was primarily due to: (i) an increase of RMB814.0 million in cash and bank balances, (ii) an increase of RMB348.9 million in inventories and (iii) an increase of RMB31.3 million in prepayments, other receivables and other assets. This was partially offset by (i) an increase of RMB621.0 million in interest-bearing bank and other borrowings, (ii) a decrease of RMB217.6 million in trade and bills receivables, (iii) an increase of RMB177.3 million in trade and bills payables, and (iv)

an increase of RMB175.7 million in other payables and accruals. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

We had net current assets of RMB621.5 million as of December 31, 2025, consisting of total current assets of RMB3,593.6 million and total current liabilities of RMB2,972.0 million, which represented an increase of RMB75.8 million from our net current assets of RMB545.7 million as of December 31, 2024. This increase was primarily due to: (i) an increase of RMB185.6 million in trade and bills receivables, (ii) an increase of RMB158.2 million in cash and bank balances, (iii) an increase of RMB104.0 million in inventories, (iv) an increase of RMB46.0 million in prepayments, other receivables and other assets, and (v) a decrease of RMB14.0 million in trade and bills payables. This was partially offset by (i) an increase of RMB329.5 million in interest-bearing bank and other borrowings and (ii) an increase of RMB88.3 million in other payables and accruals. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

We had net current assets of RMB545.7 million as of December 31, 2024, consisting of total current assets of RMB3,109.5 million and total current liabilities of RMB2,563.8 million, which represented an increase of RMB212.1 million from our net current assets of RMB333.6 million as of December 31, 2023. This increase was primarily due to (i) an increase of RMB22.8 million in inventories, (ii) an increase of RMB536.3 million in trade and bills receivables, (iii) an increase of RMB322.1 million in time deposits, (iv) an increase of RMB419.6 million in pledged deposits, and (v) a decrease of RMB37.9 million in other payables and accruals. This was partially offset by (i) a decrease of RMB112.7 million in cash and cash equivalents, (ii) an increase of RMB176.6 million in trade and bills payables, and (iii) an increase of RMB834.6 million in interest-bearing bank and other borrowings. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

We had net current assets of RMB333.6 million as of December 31, 2023, consisting of current assets of RMB1,917.4 million and current liabilities of RMB1,583.8 million.

Working Capital Sufficiency

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations, bank and other borrowings, and capital injection from shareholders.

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

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and strategic expansion require significant capital to fund working capital and capital expenditures. Historically, we have financed our operations and growth primarily through cash generated from operations, bank borrowings and capital injections from investors. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had cash and bank balances comprising cash and cash equivalents, time deposits, pledged deposits and restricted cash of RMB571.5 million, RMB894.5 million, RMB1,052.7 million and RMB1,866.8 million, respectively.

Cash Flows

The following table sets forth a summary of our cash flows during the Track Record Period:

	Years ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Net cash flows from/(used in) operating activities	106,167	(715,438)	(416,010)	(141,595)	(934,712)
Net cash flows used in investing activities	(17,476)	(46,270)	(10,156)	(121,716)	(359,097)
Net cash flows from/(used in) financing activities	(96,665)	649,033	725,187	358,325	1,608,856
Net increase/(decrease) in cash and cash equivalents	(7,974)	(112,675)	299,021	95,014	315,047
Cash and cash equivalents at beginning of year/period	227,720	219,746	107,078	107,078	406,196
Cash and cash equivalents at end of year/period	**219,746**	**107,078**	**406,196**	**202,093**	**721,232**

Operating Activities

Cash flows from our operating activities are derived from profit before tax, adjusted for non-cash or non-operating related items, including primarily depreciation and amortization of property, plant and equipment, write-down of inventories to net realizable value, bank interest income, share-based compensation benefits, and finance costs, and changes in working capital. Our primary source of cash inflow is the sales of electrolytic cooper foils.

Our net cash outflow used in operating activities in 2024, 2025 and the six months ended June 30, 2026 was primarily due to (i) our business nature – we used cash to purchase copper, while we received bank acceptance notes from certain customers for sales of our products and (ii) the cash received from our discounted bills where the related bills were not derecognized were classified in cash flows from financing activities. See Note 31 to the Accountants' Report in Appendix I to this document for details. It is an industry norm for copper foil manufacturers to record net cash outflow as a result of the inherent business nature as explained above, according to Frost & Sullivan.

Our net cash flows used in operating activities was RMB934.7 million in the six months ended June 30, 2026. This net cash outflow was primarily due to (i) profit before tax of RMB188.6 million, as adjusted to reflect non-cash or non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB49.5 million, bank interest income of RMB6.4 million, and finance costs of RMB47.8 million, (ii) an increase of RMB350.5 million in inventories, (iii) an increase of RMB406.5 million in trade and bills receivables, (iv) an increase of RMB31.4 million in prepayment and other receivables, (v) an increase of RMB571.2 million in pledged deposits, and (vi) a decrease of RMB15.0 million in other payables and accruals, as partially offset by (i) an increase of RMB177.3 million in trade and bills payables and (ii) a decrease of RMB5.3 million in restricted cash. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Our net cash flows used in operating activities was RMB416.0 million in 2025. This net cash outflow was primarily due to (i) profit before tax of RMB103.8 million, as adjusted to reflect non-cash or non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB89.9 million, bank interest income of RMB15.3 million, finance costs of RMB68.4 million, share-based compensation benefits of RMB5.6 million, and asset-related government grants and subsidies of RMB8.5 million, (ii) an increase of RMB105.9 million in inventories, (iii) an increase of RMB524.8 million in trade and bills receivables, (iv) an increase of RMB62.0 million in prepayments and other receivables, and (v) a decrease of RMB14.0 million in trade and bills payables, as partially offset by (i) a decrease of RMB19.2 million in pledged deposits, (ii) an increase of RMB16.6 million in

other payables and accruals, (iii) interest received of RMB7.2 million, and (iv) income tax refund of RMB6.7 million. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Our net cash flows used in operating activities was RMB715.4 million in 2024. This net cash outflow was primarily due to (i) profit before tax of RMB21.4 million, as adjusted to reflect non-cash or non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB89.3 million, write-down of inventories to net realizable value of RMB3.7 million, bank interest income of RMB12.4 million, finance costs of RMB61.6 million, share-based compensation benefits of RMB20.5 million, and asset-related government grants and subsidies of RMB8.3 million, (ii) an increase of RMB26.5 million in inventories, (iii) an increase of RMB624.1 million in trade and bills receivables, (iv) an increase of RMB419.6 million in pledged deposits, and (v) a decrease of RMB5.6 million in other payables and accruals, as partially offset by (i) a decrease of RMB176.6 million in trade and bills payables, and (ii) interest received of RMB7.0 million. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Our net cash inflows from operating activities was RMB106.2 million in 2023. This net cash inflow was primarily due to (i) profit before tax of RMB73.2 million, as adjusted to reflect non-cash or non-operating items, primarily comprising depreciation and amortization of property, plant and equipment of RMB86.0 million, write-down of inventories to net realizable value of RMB14.3 million, bank interest income of RMB17.3 million, finance costs of RMB48.5 million, share-based compensation benefits of RMB37.0 million, and asset-related government grants and subsidies of RMB6.7 million, (ii) a decrease of RMB43.7 million in prepayments and other receivables, (iii) a decrease of RMB221.0 million in pledged deposits, and (iv) interest received of RMB7.6 million, as partially offset by (i) an increase of RMB32.8 million in inventories, (ii) an increase of RMB174.2 million in trade and bills receivables, (iii) a decrease of RMB133.1 million in trade and bills payables, and (iv) income tax paid of RMB58.7 million. For the reasons regarding the fluctuations in the balances of the relevant balance sheet items, see "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Investing Activities

Our net cash used in investing activities primarily reflected our capital expenditures for the purchase of and disposal of property, plant and equipment, receipt of asset-related government grants, and deposit and withdrawal of time deposits.

Our net cash flows used in investing activities was RMB359.1 million in the six months ended June 30, 2026, primarily due to (i) purchases of items of property, plant and equipment of RMB407.9 million in relation to the construction of our new manufacturing plant in Sichuan Province, and (ii) placement of time deposits of RMB60.0 million, as partially offset by (i) withdrawal of time deposits of RMB101.8 million, and (ii) receipt of asset-related government grants of RMB7.0 million.

Our net cash flows used in investing activities was RMB10.2 million in 2025, primarily due to (i) purchases of items of property, plant and equipment of RMB177.0 million in relation to the construction of a new production line in Shengeng Tongbo and (ii) placement of time deposits of RMB170.0 million, as partially offset by withdrawal of time deposits of RMB330.2 million.

Our net cash flows used in investing activities was RMB46.3 million in 2024, primarily due to (i) purchases of items of property, plant and equipment of RMB48.6 million in relation to the construction of our new manufacturing plant and (ii) placement of time deposits of RMB8.9 million, as partially offset by receipt of asset-related government grants of RMB11.3 million.

Our net cash flows used in investing activities was RMB17.5 million in 2023, primarily due to (i) purchases of items of property, plant and equipment of RMB65.6 million in relation to the construction of our new manufacturing plant, as partially offset by (i) receipt of asset-related government grants of RMB26.2 million and (ii) withdrawal of time deposits of RMB22.3 million.

Financing Activities

Our financing activities primarily related to capital contribution, bank and other borrowings, letters of credit, interest paid and dividends paid to shareholders.

Our net cash inflow from financing activities was RMB1,608.9 million in the six months ended June 30, 2026, primarily due to (i) capital contribution from non-controlling shareholders of subsidiaries of RMB84.0 million, (ii) new interest-bearing bank and other borrowings (excluding intra-group bills) of RMB923.6 million, and (iii) proceeds from discounting of intra-group bills of RMB1,540.3 million, as partially offset by (i) repayment of interest-bearing bank and other borrowings (excluding intra-group bills) of RMB95.5 million, (ii) repayment of intra-group bills of RMB797.7 million, and (iii) interest paid of RMB44.9 million.

Our net cash inflow from financing activities was RMB725.2 million in 2025, primarily due to (i) capital contribution from non-controlling shareholders of subsidiaries of RMB105.0 million, (ii) new interest-bearing bank and other borrowings (excluding intra-group bills) of RMB1,031.7 million, and (iii) proceeds from discounting of intra-group bills of RMB2,367.6 million, as partially offset by (i) repayment of interest-bearing bank and other borrowings (excluding intra-group bills) of RMB288.6 million, (ii) repayment of intra-group bills of RMB2,426.0 million, and (iii) interest paid of RMB62.3 million.

Out net cash inflow from financing activities was RMB649.0 million in 2024, primarily due to (i) new interest-bearing bank and other borrowings (excluding intra-group bills) of RMB455.4 million, and (ii) proceeds from discounting of intra-group bills of RMB2,041.7 million, as partially offset by (i) repayment of interest-bearing bank and other borrowings (excluding intra-group bills) of RMB395.7 million, (ii) repayment of intra-group bills of RMB1,388.4 million, and (iii) interest paid of RMB63.7 million.

Our net cash flows used in financing activities was RMB96.7 million in 2023, primarily due to (i) repayment of interest-bearing bank and other borrowings (excluding intra-group bills) of RMB722.6 million, (ii) repayment of intra-group bills of RMB859.0 million, and (iii) dividends paid of RMB11.6 million, and (iv) interest paid of RMB31.7 million, as partially offset by (i) new interest-bearing bank and other borrowings (excluding intra-group bills) of RMB624.0 million, and (ii) proceeds from discounting of intra-group bills of RMB902.1 million.

Our Cash Management Measures

We recorded net operating cash outflow of RMB715.4 million, RMB416.0 million and RMB934.7 million in 2024, 2025 and the six months ended June 30, 2026, respectively, while net operating cash inflow of RMB106.2 million in 2023. Our cash conversion cycle, calculated as adding our trade and bills receivables turnover days and inventory turnover days less trade and bills payables turnover days, was 137.6 days, 171.0 days, 160.0 days and 105.8 days in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Our net cash flows used in operating activities in 2024, 2025 and the six months ended June 30, 2026 and long cash conversion cycle were primarily due to (i) our business nature — we used cash to purchase copper, while we received bank acceptance notes from certain customers for sales of our products and (ii) the cash received from our discounted bills where the related bills were not derecognized were classified in cash flows from financing activities. See Note 31 to the Accountants' Report in Appendix I to this document for details. This creates natural working capital

pressure, which is exacerbated when copper prices are surging. Furthermore, long credit terms granted to leading customers with market dominant position, such as Customer A, also adversely affected our operating cash flow and cash conversion cycle. It is an industry norm for copper foil manufacturers to record net cash outflow and have long cash conversion cycle as a result of the inherent business nature as explained above, according to Frost & Sullivan. We will adopt the following cash management measures to improve our operation cash flow position and cash conversion cycle:

1. ***Shorten receivables collection period.*** We have lately leveraged the current upward electrolytic copper foil industry, to re-negotiate credit and payment terms to (i) shorten credit terms from previous two to three months to one to two months. In particular, we have re-negotiated with all of our five largest customers in 2025, which collectively accounted for 83.1% of our total revenue in 2025, to reduce their credit periods to 30 days upon receipt of invoice. and (ii) reduce substantially the receipt of bank acceptance notes. In addition, we will implement a tiered receivables follow-up mechanism: assign dedicated personnel to manage receivables by ageing buckets, and (i) remind customers of payments 15 days before due date and follow up payment status within 3 days after due date and (ii) adopt progressive collection measures for overdue amounts, including negotiation, formal written demand, and legal proceedings, and regularly coordinate with customers to check collection milestones and status.

2. ***Optimize inventory management to reduce capital occupation.*** We will implement dynamic inventory management: we will (i) purchase and stock different levels of cathode copper based on price volatility, demand variability and purchase cycle, targeting to control inventory turnover days of copper to within 30 days. (ii) accelerate the disposition of finished goods inventory, especially low-end slow-moving products, via price promotions and negotiated bulk purchases, and (iii) adjust production schedules to align with order demand, aiming to reduce finished goods and overall inventory turnover days.

3. ***Optimize customer mix and focus on higher-performance products.*** We will continue to diversify and expand our network of customers that operate in high-value industries, such as AI PCBs and overseas lithium battery manufacturers, which have stronger demand and financial resources. We will also continue to focus on and grow the sales of high-performance lithium battery copper foils and high-frequency/high-speed electronic circuit foils, which have stronger market demand and higher premium. Sales to these leading customers and sales of these high-performance products can help us generate more cash quickly, improving our operating cash flow and cash conversion cycle.

4. ***Strengthen internal controls and improve capital efficiency.*** We will (i) enhance receivables management policies, including to clarify responsibilities across departments and roles, include receivable days and collection rates in performance metrics, reward teams/personnel who meet collection targets and hold accountable those with overdue receivables, and deploy a daily receivables dashboard to monitor ageing and collection progress and promptly address issues; (ii) optimize cash budgeting management, including to establish a detailed monthly cash budget process to schedule procurement payments, production investment and expense payments, tighten the approvals for cash usage, and restrict non-essential expenditures to improve cash utilization; and (iii) improve cost-efficiency, including to optimize process technology, control raw material consumption, and streamline internal processes to lower administrative expenses.

By implementation of the foregoing measures, we expect a material improvement in our operating cash flow position and cash conversion cycle in the next 12 months, achieving industry leading levels.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Included in current liabilities					
Bank loans – secured	170,261	20,018	139,707	159,725	159,916
Current portion of long term bank loans – secured	54,380	98,267	54,203	125,754	90,409
Other borrowings	944,894	1,885,842	2,139,676	2,669,148	2,491,801
Lease liabilities	705	4,533	5,499	6,108	6,249
Sub-total	**1,170,240**	**2,008,660**	**2,339,085**	**2,960,735**	**2,748,375**
Included in non-current liabilities					
Bank loans – secured	278,000	130,000	121,000	447,554	555,854
Other borrowings	92,365	33,831	85,652	59,960	52,195
Lease liabilities	2,467	554	553	664	528
Sub-total	**372,832**	**164,385**	**207,205**	**508,178**	**608,577**
Total	**1,543,072**	**2,173,045**	**2,546,290**	**3,468,913**	**3,356,952**

Our bank borrowings during the Track Record Period were denominated in Renminbi and were used to finance our capital expenditure and working capital requirements. The bank borrowings bear interest at floating interest rates. Depending on the term of the bank borrowings, in 2023, 2024 and 2025 and the six months ended June 30, 2026, the effective interest rates of our bank borrowings ranged from 0.54% to 6.99% per annum.

Our other borrowings represent primarily discounted bank acceptance notes that (i) we received from customers for sales of our products that are not mature yet and (ii) intra-group bills in relation to the manufacturing of our products. Our other borrowings increased from RMB1,037.3 million as of December 31, 2023 to RMB1,919.7 million as of December 31, 2024, to RMB2,225.3 million as of December 31, 2025, and further to RMB2,729.1 million as of June 30, 2026, in line with our business expansion during the Track Record Period. Our other borrowings decreased from RMB2,729.1 million as of June 30, 2026 to RMB2,544.0 million as of July 31, 2026, primarily due to the repayment of discounted intra-group bills to banks.

All of our bank loans are secured and are guaranteed by related parties. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our other borrowings of RMB82,402,000, RMB344,352,000, RMB628,961,000 and RMB448,758,000 arose from discounting, with recourse, of bills receivables received from our customers for the sales of our products. The remaining balance of our other borrowings are secured and/or are guaranteed by related parties. The guarantees underlying a majority of our bank loans and other borrowings will be released before the **[REDACTED]**, while the rest of the bank loans and other borrowings guaranteed by related parties will be repaid or replaced with asset mortgages or guarantees provided by non-related parties before the **[REDACTED]**.

Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there has been no material change in our indebtedness position since July 31, 2026, being the latest practicable date for the purpose of the indebtedness statement, and up to the date of this document. As of the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing.

As of July 31, 2026, we had unutilized credit facilities of RMB4,948.7 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulty in obtaining bank loans and other borrowings. We had no default in repayment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES AND COMMITMENT

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on property, plant and equipment.

We expect to incur additional capital expenditure in terms of property, plant and equipment. See "Future Plans and Use of **[REDACTED]**." We intend to fund our planned capital expenditures through a combination of the **[REDACTED]** from the **[REDACTED]** as well as cash generated from operating activities. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business in the future.

Capital Commitments

The following table sets forth our capital commitments as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
– Property, plant and equipment	**85,199**	**61,421**	**630,853**	**332,926**

Capital commitments that were contracted but not provided for represented commitments to purchase property, plant and equipment as of the relevant dates. Our capital commitments decreased from RMB85.2 million as of December 31, 2023 to RMB61.4 million as of December 31, 2024, primarily due to the gradual completion of our new manufacturing plant. Our capital commitments increased from RMB61.4 million as of December 31, 2024 to RMB630.9 million as of December 31, 2025, primarily due to the construction of our Shengeng Plant. Our capital commitments decreased from RMB630.9 million as of December 31, 2025 to RMB332.9 million as of June 30, 2026, primarily due to the payment in relation to purchase of property, plant and equipment for the construction of our Shengeng Plant.

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, guarantees or other material contingent liabilities.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our related parties primarily included our significant equity holders and their spouses, Mr. Li Xian Yang, Ms. Lin Jia Chun, Mr. Li Si Yang and Ms. Chen Ying Dan,

During the Track Record Period, our related parties provided guarantees for certain borrowings and notes. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the balance of the guarantees provided by related parties amounted to RMB2,465.5 million, RMB2,156.5 million, RMB2,976.4 million and RMB4,369.9 million, respectively. For details regarding the related party transactions during the Track Record Period and their corresponding balances as of the end day of each of the Track Record Period, see note 34 to the Accountants' Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions was conducted on an arm's length basis and would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

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

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated:

	Years ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	%			
Profitability ratio				
Gross profit margin[1]	6.7	3.1	5.7	8.1
Net profit margin[2]	2.0	0.6	2.2	4.8
Return on equity[3]	4.9	1.5	6.4	N/A
Return on assets[4]	1.8	0.5	2.1	N/A

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Liquidity ratios				
Current ratio[5]	1.2	1.2	1.2	1.2
Quick ratio[6]	1.0	1.0	1.0	0.9
Capital adequacy ratio				
Net debt to capitalization ratio (%)[7]	56.4	65.5	64.5	68.3

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
(2) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
(3) Return on equity is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.
(4) Return on assets is calculated based on profit for the year divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
(5) Current ratio is calculated based on total current assets divided by total current liabilities as of the end of the corresponding period.
(6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the end of the corresponding period.
(7) Net debt to capitalization ratio is calculated based on our net debt as of the end of each period divided by our total capital plus net debt as of the same date. Net debt is the sum of our interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals and lease liabilities, less cash and cash equivalents. Total capital equals equity attributable to the owners of the parent.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. Our overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our financial performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of our risk management is to identify and analyze the various risks faced by us, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. For further details, see note 38 to the Accountants' Report in Appendix I to this document.

Interest rate risk

We expose to the risk of changes in market interest rates relates primarily to our long term debt obligations with a floating interest rate. Our policy is to manage its interest cost using a mix of fixed and variable rate debts. If the interest rate of bank and other borrowings had increased/decreased by 50 basis points and all other variables were held constant, our profit before tax, through the impact on floating rate borrowings, would have increased/decreased by approximately nil, RMB100,000, nil and RMB2,237,770 for the years ended 31 December 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. For further details, see note 38 to the Accountants' Report in Appendix I to this document.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, we do not offer credit terms without specific verification procedures.

As of the end of each of the Relevant Periods, we had certain concentrations of credit risk as 42%, 50%, 40% and 36% of our trade and bills receivables were due from our largest debtor, respectively. For further details, see note 38 to the Accountants' Report in Appendix I to this document.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by the management of us to finance the operations and mitigate the effects of fluctuations of cash flows. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and lease liabilities. For further details, see note 38 to the Accountants' Report in Appendix I to this document.

Capital management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. We manage our capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For further details, see note 38 to the Accountants' Report in Appendix I to this document.

DIVIDENDS

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a formal dividend policy.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. We may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

We paid dividends of RMB11.6 million, nil, nil and nil in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. For further details, see note 12 to the Accountants' Report in Appendix I to this document. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Subject to our constitutional documents, our Directors are entitled to propose dividend distributions to the shareholders' meeting, which shall have the final discretion to determine whether to implement such distributions. We cannot assure you that we will be able to declare dividends of any amount each year or in any year.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we had retained profits of RMB347.0 million available for distribution to our Shareholders.

[REDACTED]

Our **[REDACTED]** primarily include **[REDACTED]**, professional fees paid to legal advisers, the Reporting Accountants and other professional parties for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** for the **[REDACTED]** are approximately RMB**[REDACTED]** million (comprising RMB**[REDACTED]** million **[REDACTED]** expenses, RMB**[REDACTED]** million fees and expenses of legal advisors and accountants, RMB**[REDACTED]** million **[REDACTED]** fees and RMB**[REDACTED]** million other fees and expenses), representing approximately **[REDACTED]**% of the gross **[REDACTED]**, based on the **[REDACTED]** of our indicative **[REDACTED]** for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. During the Track Record Period, we incurred **[REDACTED]** of RMB**[REDACTED]** million, of which RMB**[REDACTED]** million was recognized in our statements of profit or loss for the year ended December 31, 2025 and the six months ended June 30, 2026, and RMB**[REDACTED]** million to be accounted for as a deduction from equity upon the **[REDACTED]**. Subsequent to the Track Record Period, we expect to incur **[REDACTED]** of RMB**[REDACTED]** million prior to and upon completion of the **[REDACTED]**, of which RMB**[REDACTED]** million is expected to be recognized as expenses in our statements of profit or loss, and RMB**[REDACTED]** million is expected to be accounted for as a deduction from equity upon the **[REDACTED]**. The **[REDACTED]** to be incurred subsequent to the Track Record Period consist of (i) **[REDACTED]**-related expenses of RMB**[REDACTED]** million; and (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]** million, including (a) fees payable to our legal advisors and Reporting Accountants of RMB**[REDACTED]** million; (b) **[REDACTED]** fees of RMB**[REDACTED]** million; and (c) other fees and expenses of RMB**[REDACTED]** million. The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the Latest Practicable Date, (i) there had been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees, prospects, the industry where we operate, our market or regulatory environment to which we are subject since June 30, 2026, being the date of the latest consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document; and (ii) there has been no event since June 30, 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business — Our Strategies" for a detailed description of our future plans and strategies.

[REDACTED]

We estimate that we will receive **[REDACTED]** from the **[REDACTED]**z of approximately **[REDACTED]** million, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of **[REDACTED]** per Share. We currently intend to apply these **[REDACTED]** for the following purposes:

- Approximately **[REDACTED]**%, or **[REDACTED]** million, will be used to expand our production capacity. According to Frost & Sullivan, the global PCB market is expected to grow from RMB685.6 billion in 2026 to RMB1,088.0 billion in 2030. In addition, the fast growing high-value industries, such as ESS and AI PCB, will be another growth driver for our business, particularly our high-performance products. As a result, this investment is a core component of our growth strategy, designed to fortify our back-end infrastructure to support the growth of our expanding business operations, ensuring high-quality, efficient, and compliant production capabilities. See "Business — Our Strategies — Strengthen delivery capacity through manufacturing capacity and smart manufacturing upgrades." Specifically,

  - approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used to purchase land for our new production base. This will serve as a major manufacturing facility for the development and production of our high-performance electrolytic copper foil products. This procurement will ensure our current manufacturing level remains competitive and adaptive to the evolving market demands and rapid adjustments to product portfolio. The land acquisition is expected to be completed by 2027.

  - approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used for the construction of our new production base. This initiative is focused on the establishment of our manufacturing facility and other auxiliary facilities, such as offices. The construction phase is scheduled to take in 2027 and 2028, with an allocation of approximately [70]% in 2027 and [30]% in 2028.

  - approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used for the procurement of equipment for production, office and other purposes. Our new production base is expected to be equipped with critical and advanced machines. These physical instruments consists of copper dissolving tanks, transformers, high and low voltage cabinets and other manufacturing equipment, which enable the high quality, stability, and cost-efficiency of our production, thereby maintaining our competitive edge in a dynamic market. Specifically, a significant part of this procurement budget, approximately HK$325.2 million, will be allocated to critical production machinery. This includes approximately 64 sets of foil-making machine systems, comprising cathode rollers, converters, and copper busbars, which are essential equipment for the production of ultra-thin lithium battery copper foils, one of our high-performance products. The procurement of this equipment is scheduled to begin in 2027 and continue into 2028, with approximately 20%, or HK$65.0 million, to be allocated for 2027 and approximately 80%, or HK$260.2 million for 2028. Additionally, engineering for the installation of equipment, production line as well as high and low voltage power supply will be constructed to ensure our manufacturing operations comply with applicable regulations and uphold our commitment to sustainable practices.

- approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used for the initial fill for our copper foil manufacturing plant. This initial fill, which includes raw materials and production startup, is scheduled to commence in 2028.

This combined investment in scalable physical infrastructure and sophisticated production machinery is engineered to build a resilient, high-efficiency, and future-ready production ecosystem, which will reliably underpin our expanding business operations with consistent, high-quality and compliant outputs. The new production base is expected to have a designed production capacity of approximately 20,000 tonnes per annum of high-performance electrolytic copper foil products. This expanded capacity is intended to address the anticipated growth in demand for advanced copper foil products, particularly ultra-thin lithium battery copper foils, which aligns with our strategy to focus on high-performance, high-value-added products to capture growth in premium market segments. Our assessment of market demand takes into account the exponential growth in AI and high-performance computing, the projected proliferation of 5G/6G communication infrastructure, and the increasing adoption of electric vehicles, all of which require advanced copper foil solutions. These initiatives are strategically positioned to serve different customer geographies and product segments. The new production base funded by this **[REDACTED]** will further augment our overall capacity to meet the growing needs of our customers across various regions and applications.

- Approximately **[REDACTED]**%, or **[REDACTED]** million, will be used for continuous investment in our research and development activities to advance our technologies. This investment is aimed at improving our research and development capability to satisfy emerging industry trends and specific customer requirements. See "Business — Our Strategies — Continuously strengthen our research and development capabilities to enhance our products' competitive edge." Specifically,

  - approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used to establish and build a new, modern research and development center. The establishment of the new research and development center is expected to solidify and extend our technological leadership, particularly as the current downstream markets evolve quickly and have different specific needs, requiring us to develop more advanced technologies and products and devote more research and development resources. Specific allocations include primarily site construction of the new research and development center. This will serve as a central hub for our research and development operations and innovation activities, equipped with various high-performance research and development laboratories, testing rooms and facilities for pilot-scale production, which will elevate our cutting-edge production systems and strengthen our market competitiveness. This will involve approximately 2,500 sq.m. of research and development facilities, with construction expenditure planned primarily for 2027 and 2028.

  - approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used to purchase high-performance research and development hardware equipment and supporting system software for technological upgrades and new product development. This initiative is focused on integrating advanced equipment and precise engineering to significantly enhance process efficiency, precision, and control. Specific allocations include the procurement of: (i) research and development and testing equipment, such as devices for multi-metal anode current collectors for solid-state batteries and surface treatment of copper foil in electronic circuits. These equipment can accurately detect, recognize and process a wide range of materials, chemical elements and metal contaminants, enabling

the research and development center to pioneer sophisticated testing methods and enhance its overall scientific and technological capacity; and (ii) office equipment and electronic devices related to our research and development center.

- approximately **[REDACTED]**%, or **[REDACTED]** million, is expected to be used for our research and development activities, including (i) the recruitment at research and development talent to enhance our technological capabilities. These research and development staff, including research personnel, research project managers, testing personnel and engineering, will be focusing on the continuous improvement of our technological advancement throughout the whole research and development process; and (ii) conducting existing and future research and development projects. This includes the in-house and third-party testing fees, procurement of raw materials, energy consumption and other expenses. In order to further satisfy the high-growth market demands, especially for AI and high-performance computing, 5G/6G communication and consumer and automotive electronics, we will increasingly invest resources and staff in high-performance copper foil with various tensile strength grades, precisely controllable surface roughness and excellent electrical properties. We plan to continually launch multiple new product development projects based on main directions incorporating (i) high-frequency, high-speed electronic circuit copper foil (HVLP5 and other advanced electronic circuit copper foil products); and (ii) new anode current collector material for solid batteries using alloy foil.

This investment in a new research and development center, advanced equipment, talent acquisition, and market-responsive research projects will enhance our ability to adapt dynamically to expanding business scenarios and evolving consumer needs.

- Approximately **[REDACTED]**%, or **[REDACTED]** million, will be used for working capital and other general corporate purposes.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately used for the purposes described above, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or other applicable laws and regulations in other jurisdictions).

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIANGXI TONGBO TECHNOLOGY CO., LTD. AND SINOLINK SECURITIES (HONG KONG) COMPANY LIMITED

Introduction

We report on the historical financial information of Jiangxi Tongbo Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[•] to I-[•], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with **[REDACTED]** of the shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-[•]] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividend paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
[date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
REVENUE	*5*	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272
Cost of sales		(2,951,445)	(3,111,890)	(3,971,193)	(1,720,650)	(3,127,116)
Gross profit		211,550	99,783	241,303	81,643	276,156
Other income and gains	*5*	74,470	122,116	77,850	26,694	46,153
Selling and marketing expenses		(21,722)	(13,884)	(17,261)	(7,035)	(9,892)
Administrative expenses		(69,280)	(60,834)	(65,063)	(19,641)	(31,775)
Research and development expenses		(53,825)	(46,823)	(49,406)	(21,538)	(36,278)
Reversal of impairment losses/ (impairment losses) on financial assets, net		1,573	(5,508)	5,137	2,101	4,797
Other expenses	*7*	(21,049)	(11,896)	(20,375)	(9,936)	(12,764)
Finance costs	*8*	(48,515)	(61,604)	(68,365)	(39,570)	(47,780)
PROFIT BEFORE TAX	*6*	73,202	21,350	103,820	12,718	188,617
Income tax (expense)/credit	*11*	(10,145)	(770)	(9,986)	562	(23,699)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		63,057	20,580	93,834	13,280	164,918
Profit attributable to:						
Owners of the parent		63,085	20,581	91,780	13,279	156,237
Non-controlling interests		(28)	(1)	2,054	1	8,681
		63,057	20,580	93,834	13,280	164,918
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	*13*	0.27	0.09	0.39	0.06	0.67

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	1,098,754	1,017,635	1,141,423	1,699,169
Right-of-use assets	*15*	29,228	29,101	43,922	43,351
Intangible assets	*16*	1,565	1,389	1,212	1,778
Deferred tax assets	*18*	17,692	21,180	17,577	14,519
Prepayments, other receivables and other assets	*21*	422	8,488	40,353	35,902
Time deposits	*22*	307,782	–	–	–
Total non-current assets		1,455,443	1,077,793	1,244,487	1,794,719
CURRENT ASSETS					
Inventories	*19*	398,357	421,202	525,153	874,093
Trade and bills receivables	*20*	1,191,514	1,727,785	1,913,388	1,695,833
Prepayments, other receivables and other assets	*21*	54,593	56,224	102,270	133,596
Income tax recoverable		9,229	9,804	–	–
Time deposits	*22*	–	322,109	170,045	129,941
Restricted cash	*22*	–	1,751	32,104	–
Pledged deposits	*22*	44,000	463,585	444,396	1,015,577
Cash and cash equivalents	*22*	219,746	107,078	406,196	721,232
Total current assets		1,917,439	3,109,538	3,593,552	4,570,272
CURRENT LIABILITIES					
Trade and bills payables	*23*	278,587	455,210	441,225	618,524
Other payables and accruals	*24*	124,514	86,616	174,905	350,580
Contract liabilities	*25*	269	545	320	1,222
Interest-bearing bank and other borrowings	*26*	1,169,535	2,004,127	2,333,586	2,954,627
Lease liabilities	*15*	705	4,533	5,499	6,108
Deferred income	*27*	7,215	8,367	8,771	8,472
Tax payable		3,022	4,448	7,705	6,775
Total current liabilities		1,583,847	2,563,846	2,972,011	3,946,308
NET CURRENT ASSETS		333,592	545,692	621,541	623,964
TOTAL ASSETS LESS CURRENT LIABILITIES		1,789,035	1,623,485	1,866,028	2,418,683

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	*26*	370,365	163,831	206,652	507,514
Deferred income	*27*	82,455	84,284	79,544	82,308
Lease liabilities	*15*	2,467	554	553	664
Total non-current liabilities		455,287	248,669	286,749	590,486
Net assets		1,333,748	1,374,816	1,579,279	1,828,197
EQUITY					
Equity attributable to owners of the parent					
Share capital	*28*	232,629	232,629	232,629	232,629
Reserves	*30*	1,098,647	1,139,716	1,283,333	1,484,008
		1,331,276	1,372,345	1,515,962	1,716,637
Non-controlling interests		2,472	2,471	63,317	111,560
Total equity		1,333,748	1,374,816	1,579,279	1,828,197

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent							
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 30*	*Note 30*				
As at 1 January 2023	232,629	951,622	–	5,579	52,987	1,242,817	–	1,242,817
Profit and other comprehensive income for the year	–	–	–	–	63,085	63,085	(28)	63,057
Total comprehensive income for the year	–	–	–	–	63,085	63,085	(28)	63,057
Transfer to surplus reserve	–	–	645	–	(645)	–	–	–
Equity-settled share-based payment expense	–	37,005	–	–	–	37,005	–	37,005
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	2,500	2,500
Dividend declared	–	–	–	–	(11,631)	(11,631)	–	(11,631)
Appropriation to special reserve	–	–	–	11,185	(11,185)	–	–	–
Utilisation of special reserve	–	–	–	(6,340)	6,340	–	–	–
As at 31 December 2023	232,629	988,627	645	10,424	98,951	1,331,276	2,472	1,333,748

Year ended 31 December 2024

	Attributable to owners of the parent							
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 30*	*Note 30*				
As at 1 January 2024	232,629	988,627	645	10,424	98,951	1,331,276	2,472	1,333,748
Profit and other comprehensive income for the year	–	–	–	–	20,581	20,581	(1)	20,580
Total comprehensive income for the year	–	–	–	–	20,581	20,581	(1)	20,580
Equity-settled share-based payment expense	–	20,488	–	–	–	20,488	–	20,488
Appropriation to special reserve	–	–	–	12,236	(12,236)	–	–	–
Utilisation of special reserve	–	–	–	(3,859)	3,859	–	–	–
As at 31 December 2024	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471	1,374,816

Year ended 31 December 2025

	Attributable to owners of the parent							
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 30*	*Note 30*				
As at 1 January 2025	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471	1,374,816
Profit and other comprehensive income for the year	–	–	–	–	91,780	91,780	2,054	93,834
Total comprehensive income for the year	–	–	–	–	91,780	91,780	2,054	93,834
Equity-settled share-based payment expense	–	5,629	–	–	–	5,629	–	5,629
Capital contribution from non-controlling shareholders	–	46,208	–	–	–	46,208	58,792	105,000
Appropriation to special reserve	–	–	–	12,413	(12,413)	–	–	–
Utilisation of special reserve	–	–	–	(3,790)	3,790	–	–	–
As at 31 December 2025	232,629	1,060,952	645	27,424	194,312	1,515,962	63,317	1,579,279

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent							
	Share capital	Share premium	Statutory surplus reserve	Special reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 30*	*Note 30*				
As at 1 January 2025	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471	1,374,816
Profit and other comprehensive income for the period (unaudited)	–	–	–	–	13,279	13,279	1	13,280
Total comprehensive income for the period (unaudited)	–	–	–	–	13,279	13,279	1	13,280
Equity-settled share-based payment expense (unaudited)	–	1,735	–	–	–	1,735	–	1,735
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	5,000	5,000
Appropriation to special reserve (unaudited)	–	–	–	6,206	(6,206)	–	–	–
Utilisation of special reserve (unaudited)	–	–	–	(2,237)	2,237	–	–	–
As at 30 June 2025 (unaudited)	232,629	1,010,850	645	22,770	120,465	1,387,359	7,472	1,394,831

Six months ended 30 June 2026

	Attributable to owners of the parent							
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 30*	*Note 30*				
As at 1 January 2026	232,629	1,060,952	645	27,424	194,312	1,515,962	63,317	1,579,279
Profit and other comprehensive income for the period	–	–	–	–	156,237	156,237	8,681	164,918
Total comprehensive income for the period	–	–	–	–	156,237	156,237	8,681	164,918
Capital contribution from non-controlling shareholders	–	44,438	–	–	–	44,438	39,562	84,000
Appropriation to special reserve	–	–	–	4,682	(4,682)	–	–	–
Utilisation of special reserve	–	–	–	(1,093)	1,093	–	–	–
As at 30 June 2026	232,629	1,105,390	645	31,013	346,960	1,716,637	111,560	1,828,197

* *These reserve accounts represent the consolidated reserves of RMB1,098,647,000, RMB1,139,716,000, RMB1,283,333,000 and RMB1,484,008,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		73,202	21,350	103,820	12,718	188,617
Adjustments for:						
Depreciation of property, plant and equipment	*6,14*	85,979	89,332	89,852	44,890	49,474
Depreciation of right-of-use assets	*6,15*	1,654	1,867	2,025	940	1,308
Amortisation of intangible assets		155	176	177	89	123
Write-down of inventories to net realisable value	*19*	14,270	3,696	1,927	1,927	1,571
(Reversal of impairment losses)/ impairment losses on financial assets, net		(1,573)	5,508	(5,137)	(2,101)	(4,797)
Bank interest income		(17,275)	(12,429)	(15,307)	(8,771)	(6,386)
Finance costs	*8*	48,515	61,604	68,365	39,570	47,780
Exchange (gain)/loss		–	(7)	(97)	(1)	11
Share-based compensation benefits	*6,29*	37,005	20,488	5,629	1,735	–
Asset-related government grants and subsidies		(6,746)	(8,285)	(8,488)	(4,186)	(4,535)
Losses on disposal of items of property, plant and equipment	*5,6*	–	–	2,694	78	113
		235,186	183,300	245,460	86,888	273,279
Increase in inventories		(32,798)	(26,541)	(105,878)	(64,723)	(350,511)
Increase in trade and bills receivables		(174,167)	(624,142)	(524,793)	(310,154)	(406,499)
Decrease/(increase) in prepayments and other receivables		43,711	(1,670)	(61,966)	(5,837)	(31,436)
Decrease/(increase) in pledged deposits		221,000	(419,585)	19,189	57,339	(571,181)
(Decrease)/increase in trade and bills payables		(133,072)	176,623	(13,985)	94,886	177,299
(Decrease)/increase in other payables and accruals		(886)	(5,572)	16,631	(7,816)	(15,045)
(Decrease)/increase in contract liabilities		(1,858)	276	(225)	(66)	902
Decrease/(increase) in restricted cash		172	(1,751)	(4,353)	(3,271)	5,338
Cash generated from/(used in) operations		157,288	(719,062)	(429,920)	(152,754)	(917,854)
Interest received		7,581	7,031	7,232	3,595	4,713
Income tax (paid)/refunded		(58,702)	(3,407)	6,678	7,564	(21,571)
Net cash flows from/(used in) operating activities		106,167	(715,438)	(416,010)	(141,595)	(934,712)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(65,630)	(48,607)	(177,026)	(21,790)	(407,891)
Receipt of asset-related government grants		26,200	11,266	4,152	–	7,000
Purchase of intangible assets		(326)	–	–	–	–
Placement of time deposits		–	(8,929)	(170,045)	(99,998)	(60,000)
Withdrawal of time deposits		22,280	–	330,184	–	101,777
Disposal of property, plant and equipment		–	–	2,579	72	17
Net cash flows used in investing activities		(17,476)	(46,270)	(10,156)	(121,716)	(359,097)
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital contribution from non-controlling shareholders of subsidiaries		2,500	–	105,000	5,000	84,000
Payment of lease liabilities		(347)	(64)	(149)	(17)	(43)
New interest-bearing bank and other borrowings (excluding intra-group bills)		623,978	455,353	1,031,676	503,068	923,559
Repayment of interest-bearing bank and other borrowings (excluding intra-group bills)		(722,612)	(395,717)	(288,579)	(187,455)	(95,483)
Proceeds from discounting of intra-group bills		902,104	2,041,655	2,367,631	995,000	1,540,278
Repayment of intra-group bills		(858,997)	(1,388,445)	(2,426,040)	(927,210)	(797,739)
Dividend paid		(11,631)	–	–	–	–
Interest paid		(31,660)	(63,749)	(62,257)	(30,061)	(44,864)
Payment of **[REDACTED]**		–	–	(2,095)	–	(852)
Net cash flows (used in)/from financing activities		(96,665)	649,033	725,187	358,325	1,608,856
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,974)	(112,675)	299,021	95,014	315,047
Cash and cash equivalents at beginning of the year/period		227,720	219,746	107,078	107,078	406,196
Effect of foreign exchange rate changes, net		–	7	97	1	(11)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		219,746	107,078	406,196	202,093	721,232
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*22*	571,528	894,523	1,052,741	1,040,644	1,866,750
Less: Restricted cash	*22*	–	1,751	32,104	5,022	–
Time deposits	*22*	307,782	322,109	170,045	427,283	129,941
Pledged deposits	*22*	44,000	463,585	444,396	406,246	1,015,577
Cash and cash equivalents as stated in the consolidated statement of cash flows		219,746	107,078	406,196	202,093	721,232

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	294,653	269,266	243,759	285,790
Right-of-use assets	*15*	8,699	9,248	8,628	8,376
Investments in subsidiaries	*17*	521,320	531,520	583,020	683,220
Deferred tax assets	*18*	13,066	16,649	13,251	10,307
Prepayments, other receivables and other assets	*21*	414	632	408	3,823
Time deposits	*22*	307,782	–	–	–
Total non-current assets		1,145,934	827,315	849,066	991,516
CURRENT ASSETS					
Inventories	*19*	187,261	211,737	242,265	350,158
Trade and bills receivables	*20*	1,190,996	1,727,601	1,868,925	1,493,288
Prepayments, deposits and other receivables	*21*	24,649	30,842	25,908	60,038
Income tax recoverable		9,229	9,804	–	–
Due from subsidiaries	*34*	80,205	102,567	79,407	137,715
Time deposits	*22*	–	322,109	160,034	109,817
Restricted cash	*22*	–	1,751	5,180	–
Pledged deposits	*22*	44,000	350,092	439,358	1,015,576
Cash and cash equivalents	*22*	163,337	85,969	379,788	629,194
Total current assets		1,699,677	2,842,472	3,200,865	3,795,786
CURRENT LIABILITIES					
Trade and bills payables	*23*	84,642	167,378	230,154	220,662
Other payables and accruals	*24*	22,511	15,380	30,298	15,091
Contract liabilities	*25*	269	545	169	147
Due to subsidiaries	*34*	1,084,641	1,809,573	1,464,811	2,422,396
Interest-bearing bank and other borrowings	*26*	254,195	382,607	893,187	715,563
Lease liabilities	*15*	562	2,365	2,602	2,692
Deferred income	*27*	5,861	7,013	7,416	7,118
Tax payable		–	–	–	3,209
Total current liabilities		1,452,681	2,384,861	2,628,637	3,386,878
NET CURRENT ASSETS		246,996	457,611	572,228	408,908
TOTAL ASSETS LESS CURRENT LIABILITIES		1,392,930	1,284,926	1,421,294	1,400,424

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank loans and other borrowings	*26*	96,000	–	109,581	50,444
Deferred income	*27*	56,021	59,205	55,819	52,260
Lease liabilities	*15*	690	221	64	27
Total non-current liabilities		152,711	59,426	165,464	102,731
Net assets		1,240,219	1,225,500	1,255,830	1,297,693
EQUITY					
Share capital	*28*	232,629	232,629	232,629	232,629
Reserves	*30*	1,007,590	992,871	1,023,201	1,065,064
Total equity		1,240,219	1,225,500	1,255,830	1,297,693

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Jiangxi Tongbo Technology Co., Ltd. (the "**Company**") was registered as a limited liability company in the People's Republic of China ("**PRC**") on 18 August 2016. On 20 December 2022, the Company was converted into a joint stock company with limited liability.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "**Group**") were involved in the research, development, production and sale of copper foil.

As at 30 June 2026, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, which are set out below:

Name	Note	Place and date of registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
			('000)	%	%	
Jiangxi Shengeng Copper Foil Technology Co., Ltd. 江西省深耕銅箔科技有限公司	(1)	PRC/Chinese mainland/ 10 January 2020	RMB533,149	92	–	Manufacture and research and development ("**R&D**") of copper foil
Sichuan Tongbo Technology Co., Ltd. 四川銅博科技有限公司	(1)	PRC/Chinese mainland/ 05 July 2023	RMB119,000	70	–	Manufacture and R&D of copper foil
Jiangxi Tongbo Materials Co., Ltd. 江西銅博材料有限公司	(1)	PRC/Chinese mainland/ 27 June 2025	RMB500	100	–	Manufacture and sale of copper foil

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Note:

(1) No audited financial statements of these entities have been prepared for the years ended 31 December 2023, 2024 and 2025 as these entities were either newly registered or not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

2.1 BASIS OF PREPARATION

The Historical Financial Information and the Interim Comparative Financial Information have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and the Interim Comparative Financial Information.

The Historical Financial Information and the Interim Comparative Financial Information have been prepared under the historical cost convention.

Basis of consolidation

The Historical Financial Information and the Interim Comparative Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets and liabilities and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information and the Interim Comparative Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*[4]

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1 *Effective for annual/reporting periods beginning on or after 1 January 2027*

2 *No mandatory effective date yet determined but available for adoption*

3 *Reporting periods beginning on or after 1 January 2029*

4 *Effective when an entity first applies IFRS 18*

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statement*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statements of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statements of cash flows and additional disclosure will be included in the Historical Financial Information and the Interim Comparative Financial Information.

The Group has already commenced an assessment of the impact of these new and amended IFRS Accounting Standards, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, except for IFRS 18 which is still under assessment, no significant impact on the financial performance and financial position of the Group is expected when other new and amended IFRS Accounting Standards become effective.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Production equipment	6% to 32%
Office equipment and electronic devices	10% to 32%
Vehicles	19% to 24%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for

impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of

lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 50 years
Leased plant and properties	3 to 8 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, other current liabilities, amounts due to related companies and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings, or payables)

After initial recognition, trade and other payables, amounts due to related companies, and interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash on hand and at banks, and short- term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of copper foil

Revenue from the sale of copper foil is recognised at the point in time when control of the asset is transferred to the customer, generally upon acceptance of the delivered products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Share-based payments

The Company operates a share incentive scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the shares granted is determined by an external valuer using the discounted cash flow model, taking into account the recent capital injection price. Further details are set out in note 29 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period. it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statements that such an estimate cannot be made, if applicable.

3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Share-based payments

The Group operates a share scheme for the purpose of providing incentives to the Group's employees (including directors). The grant date fair value of the granted shares is determined by an external valuer using the discounted cash flow model. Further details are contained in note 29 to the Historical Financial Information.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on ageing of receivables.

The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on ageing of the trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group calibrates the matrix to adjust the credit loss with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the expected credit losses are adjusted. At the end of each reporting period, the expected credit loss rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the senior management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

All the non-current assets of the Group are physically located in the Chinese Mainland. The geographical location of a customer is based on the location at which the customer operates, and almost all of the revenue of the Group was derived from operations in the Chinese Mainland during the Relevant Periods.

Information about major customers

External customers from which the revenue amounted individually to over 10% of total revenue of the Group during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	1,533,181	1,997,404	2,475,820	1,081,815	1,869,988
Customer B	497,217	495,309	765,921	301,563	649,640
Customer D	434,612	*	*	*	*

* *Less than 10% of the Group's revenue*

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods					
Lithium battery copper foil	2,816,472	2,851,739	3,700,905	1,566,084	3,040,091
Electronic circuit copper foil	323,118	351,186	478,769	231,116	280,061
Others	23,405	8,748	32,822	5,093	83,120
Total revenue from contracts with customers	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Geographical markets					
Chinese mainland	3,162,995	3,208,196	4,211,858	1,801,983	3,403,182
Overseas	–	3,477	638	310	90
Total	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Timing of revenue recognition					
Goods transferred at a point in time	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

The following table shows the amounts of revenue recognised in the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	2,127	269	545	545	320

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of copper foil

The performance obligation is satisfied when control of the asset is transferred to the customer, generally upon acceptance of the delivered products. Payment is generally due within 30 to 90 days from receipt of invoice or from delivery.

The performance obligation is part of a contract that has an original expected duration of one year. As a practical expedient, the remaining performance obligations are not disclosed.

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Bank interest income	17,275	12,429	15,307	8,771	6,386
Government grants and subsidies	57,107	109,262	62,021	17,692	39,712
Others	88	424	425	138	54
Other gains					
Foreign exchange differences, net	–	1	97	93	1
Total	74,470	122,116	77,850	26,694	46,153

6. PROFIT BEFORE TAX

The Group's before tax is arrived at after charging:

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of sales of goods*		2,951,445	3,111,890	3,971,193	1,720,650	3,127,116
Write-down of inventories to net realisable value	*19*	14,270	3,696	1,927	1,927	1,571
Depreciation of property, plant and equipment**	*14*	85,979	89,332	89,852	44,890	49,474
Depreciation of right-of-use assets**	*15*	1,654	1,867	2,025	940	1,308
Amortisation of intangible assets**	*16*	155	176	177	89	123
Research and development expenses		53,825	46,823	49,406	21,538	36,278
Employee benefit expense (including directors' chief executive's and supervisor's remuneration *(note 9)*)***:						
Wages and salaries		101,840	104,266	108,889	50,419	76,150
Share-based payment	*29*	37,005	20,488	5,629	1,735	–
Pension scheme contributions and social welfare		13,192	13,674	14,391	6,789	9,740
Losses on disposal of items of property, plant and equipment	*5,6*	–	–	2,694	78	113
[REDACTED]		–	–	14,151	–	2,917

* *Cost of sales of goods for the Relevant Periods and the six months ended 30 June 2025 includes the impairment losses on inventories recognised, the depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets which are also included in the respective total amounts disclosed separately in "write-down of inventories to net realisable value", "depreciation of property, plant and equipment", "depreciation of right-of-use assets"and "amortisation of intangible assets" above.*

** *The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets for the Relevant Periods and the six months ended 30 June 2025 are included in "Cost of sales", "Research and development expenses", "Selling and marketing expenses" and "Administrative expenses" in profit or loss.*

*** *The employee benefit expense for the Relevant Periods and the six months ended 30 June 2025 is included in "Cost of sales", "Selling and marketing expenses", "Research and development expenses" and "Administrative expenses" in profit or loss.*

7. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Bills discounting fee	20,831	11,822	16,707	9,020	12,585
Loss on disposal of property, plant and equipment	–	–	2,694	78	113
Others	218	74	974	838	66
Total	21,049	11,896	20,375	9,936	12,764

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on interest-bearing bank and other borrowings	48,366	61,365	68,202	39,433	51,880
Interest on lease liabilities	149	239	163	137	26
Less: Interest capitalised	–	–	–	–	(4,126)
Total	48,515	61,604	68,365	39,570	47,780

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods and the six months ended 30 June 2025 is set out below:

	As at 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	2,416	2,091	2,395	1,165	1,114
Performance related bonuses*	1,335	1,371	1,692	467	505
Share-based payments	18,703	20,488	2,651	1,735	–
Pension scheme contributions	36	36	42	21	12
Total	22,490	23,986	6,780	3,388	1,631

* *Certain directors of the Company are entitled to bonus payments which are determined by key performance indicators.*

During the Relevant Periods and the six months ended 30 June 2025, restricted shares were granted to certain directors, in respect of their services to the Group, under the employee incentive schemes (the "**Share Incentive Schemes**") of the Company, further details of which are set out in note 29 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expense" in profit or loss over the vesting period. The amounts during the Relevant Periods and the six months ended 30 June 2025 are included in the above directors' chief executive's and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Ms. Wang Jinlan *(i)*	90	90	90	45	45
Mr. Liu Shuhong *(ii)*	90	90	75	45	–
Mr. Zhang Jiafeng *(iii)*	90	90	90	45	45
Mr. Zhang Wei *(iv)*	–	–	15	–	45
Mr. Huang Hao *(v)*	–	–	–	–	100
Total	270	270	270	135	235

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025.

(i) On 20 December 2022, Ms. Wang Jinlan was appointed as a director of the Company.

(ii) On 20 December 2022, Mr. Liu Shuhong was appointed as a director of the Company and resigned on 1 October 2025.

(iii) On 20 December 2022, Mr. Zhang Jiafeng was appointed as a director of the Company.

(iv) On 30 October 2025, Mr. Zhang Wei was appointed as a director of the Company.

(v) On 29 December 2025, Mr. Huang Hao was appointed as a director of the Company.

(b) Executive and non-executive directors and supervisors

The remuneration of each of the executive and non-executive directors and supervisors of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors or supervisors of the Company) for the Relevant Periods and the six months ended 30 June 2025 is set out as follows:

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December, 2023						
Executive and non-executive directors:						
Mr. Li Xianyang *(i)*	–	482	202	18,703	6	19,393
Mr. Xie Changjiang *(ii)*	–	553	308	–	6	867
Mr. Tang Haifeng *(iii)*	–	548	624	–	6	1,178
Mr. Li Siyang *(iv)*	–	–	–	–	–	–
Subtotal	–	1,583	1,134	18,703	18	21,438
Supervisors:						
Mr. Zhou Qingyun *(vi)*	–	192	54	–	6	252
Ms. Yang Qing *(vii)*	–	187	85	–	6	278
Ms. Hua Xiu *(viii)*	–	184	62	–	6	252
Subtotal	–	563	201	–	18	782
Total	–	2,146	1,335	18,703	36	22,220

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December, 2024						
Executive and non-executive directors:						
Mr. Li Xianyang *(i)*	–	386	87	20,488	6	20,967
Mr. Xie Changjiang *(ii)*	–	449	503	–	6	958
Mr. Tang Haifeng *(iii)*	–	456	458	–	6	920
Mr. Li Siyang *(iv)*	–	–	–	–	–	–
Subtotal	–	1,291	1,048	20,488	18	22,845
Supervisors:						
Mr. Zhou Qingyun *(vi)*	–	170	96	–	6	272
Ms. Yang Qing *(vii)*	–	180	121	–	6	307
Ms. Hua Xiu *(viii)*	–	180	106	–	6	292
Subtotal	–	530	323	–	18	871
Total	–	1,821	1,371	20,488	36	23,716

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December, 2025						
Executive and non-executive directors:						
Mr. Li Xianyang *(i)*	–	354	283	2,651	6	3,294
Mr. Xie Changjiang *(ii)*	–	467	300	–	6	773
Mr. Tang Haifeng *(iii)*	–	463	430	–	6	899
Mr. Li Siyang *(iv)*	–	–	–	–	–	–
Mr. Xu Hongbiao *(v)*	–	354	319	–	6	679
Subtotal	–	1,638	1,332	2,651	24	5,645
Supervisors:						
Mr. Zhou Qingyun *(vi)*	–	148	111	–	6	265
Ms. Yang Qing *(vii)*	–	169	139	–	6	314
Ms. Hua Xiu *(viii)*	–	170	110	–	6	286
Subtotal	–	487	360	–	18	865
Total	–	2,125	1,692	2,651	42	6,510

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June, 2025 (unaudited)						
Executive and non-executive directors:						
Mr. Li Xianyang *(i)*	–	165	68	1,735	3	1,971
Mr. Xie Changjiang *(ii)*	–	228	169	–	3	400
Mr. Tang Haifeng *(iii)*	–	224	91	–	3	318
Mr. Li Siyang *(iv)*	–	–	–	–	–	–
Mr. Xu Hongbiao *(v)*	–	168	52	–	3	223
Subtotal	–	785	380	1,735	12	2,912
Supervisors:						
Mr. Zhou Qingyun *(vi)*	–	74	31	–	3	108
Ms. Yang Qing *(vii)*	–	85	13	–	3	101
Ms. Hua Xiu *(viii)*	–	86	43	–	3	132
Subtotal	–	245	87	–	9	341
Total	–	1,030	467	1,735	21	3,253

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June, 2026						
Executive and non-executive directors:						
Mr. Li Xianyang *(i)*	–	186	124	–	3	313
Mr. Xie Changjiang *(ii)*	–	250	129	–	3	382
Mr. Tang Haifeng *(iii)*	–	251	133	–	3	387
Mr. Li Siyang *(iv)*	–	–	–	–	–	–
Mr. Xu Hongbiao *(v)*	–	192	119	–	3	314
Total	–	879	505	–	12	1,396

(i) On 31 October 2018, Mr. Li Xianyang, the chief executive, was appointed as the chairman of the board of directors of the Company.

(ii) On 20 December 2022, Mr. Xie Changjiang was appointed as a director of the Company.

(iii) On 17 September 2021, Mr. Tang Haifeng was appointed as a director of the Company.

(iv) On 17 September 2021, Mr. Li Siyang was appointed as a director of the Company.

(v) On 29 December 2025, Mr. Xu Hongbiao was appointed as a director of the Company.

(vi) On 20 December 2022, Mr. Zhou Qingyun was appointed as a supervisor of the Company and resigned on 8 October 2025.

(vii) On 20 December 2022, Ms. Yang Qing was appointed as a supervisor of the Company and resigned on 8 October 2025.

(viii) On 20 December 2022, Ms. Hua Xiu was appointed as a supervisor of the Company and resigned on 8 October 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 included the chief executive, the chief executive and two directors, the chief executive and two directors, the chief executive and two directors, and two directors, respectively; details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 of the remaining four, two, two, two and three highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	873	690	558	63	100
Performance related bonuses	420	738	379	581	1,122
Share-based payment expense	14,519	–	2,978	–	–
Pension scheme contributions and social welfare	24	12	8	6	9
Total	15,836	1,440	3,923	650	1,231

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HK$1,000,000	–	2	1	2	3
HK$3,000,001 to HK$3,500,000	2	–	–	–	–
HK$3,500,001 to HK$4,500,000	–	–	1	–	–
HK$5,500,001 to HK$6,000,000	2	–	–	–	–
Total	4	2	2	2	3

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Chinese Mainland

Pursuant to the Corporate Income Tax ("**CIT**") Law of the PRC and the respective regulations, the Company and subsidiaries which operate in the Chinese Mainland are subject to CIT at a standard rate of 25% on the taxable income during the Relevant Periods and the six months ended 30 June 2025 covered by the Interim Comparative Financial Information, except for the following tax concessions.

The Company was accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2019 and its qualification was renewed in 2022 and 2025. It is therefore entitled to a preferential CIT rate of 15% from 2019 to 2027. This qualification is subject to review by the relevant tax authority in the PRC every three years.

A subsidiary of the Company was accredited as an HNTE in 2023 and is therefore entitled to a preferential CIT rate of 15% from 2023 to 2025. The subsidiary is undergoing a review to renew the qualification, and it is expected that it will continue to be accredited as a HNTE in 2026.

Based on the Public Notice 2023 No. 7 issued by the Ministry of Finance and the State Tax Bureau of the PRC on 26 March 2023, the Group is eligible for a 100% super deduction of eligible R&D expense from 1 January 2023. The Group claimed such super deduction during the Relevant Periods and the six months ended 30 June 2025 covered by Interim Comparative Financial Information.

Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current income tax	14,119	4,258	6,383	4,676	20,641
Deferred tax (credit)/charge *(note 18)*	(3,974)	(3,488)	3,603	(5,238)	3,058
Total tax charge/(credit)	10,145	770	9,986	(562)	23,699

A reconciliation of the tax expense applicable to profit before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense/(credit) at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	73,202	21,350	103,820	12,718	188,617
Tax at the preferential tax rate	10,980	3,203	15,573	1,909	28,293
Effect of different tax rates	(12)	(1)	(81)	–	(342)
Expenses not deductible for tax	6,224	4,591	1,902	760	1,190
Super deduction on research and development expenses	(7,465)	(7,023)	(7,408)	(3,231)	(5,442)
Effect on opening deferred tax of decrease in rate	418	–	–	–	–
Tax charge/(credit) at the Group's effective tax rate	10,145	770	9,986	(562)	23,699

12. DIVIDEND

Cash dividend of RMB11,631,000 was declared and paid by the Company on 15 June 2023.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the Relevant Periods and the six months ended 30 June 2025 attributable to ordinary equity holders of the parent, and the weighted average numbers of outstanding ordinary shares during the Relevant Periods and the six months ended 30 June 2025.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit					
Profit attributable to ordinary equity holders of the parent *(RMB'000)*	63,085	20,581	91,780	13,279	156,237
Shares					
Weighted average number *('000)* of ordinary shares outstanding during the year/period	232,629	232,629	232,629	232,629	232,629
Profit per share					
Basic and diluted *(RMB)*	0.27	0.09	0.39	0.06	0.67

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	257,787	987,932	1,570	2,602	41,624	1,291,515
Accumulated depreciation	(24,489)	(126,428)	(691)	(742)	–	(152,350)
Net carrying amount	233,298	861,504	879	1,860	41,624	1,139,165
At 1 January 2023, net of accumulated depreciation	233,298	861,504	879	1,860	41,624	1,139,165
Additions	–	570	6	–	44,992	45,568
Transfers	10,338	72,798	28	–	(83,164)	–
Depreciation provided during the year	(12,133)	(73,003)	(349)	(494)	–	(85,979)
At 31 December 2023, net of accumulated depreciation and impairment	231,503	861,869	564	1,366	3,452	1,098,754
At 31 December 2023:						
Cost	268,125	1,061,300	1,604	2,602	3,452	1,337,083
Accumulated depreciation	(36,622)	(199,431)	(1,040)	(1,236)	–	(238,329)
Net carrying amount	231,503	861,869	564	1,366	3,452	1,098,754

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	268,125	1,061,300	1,604	2,602	3,452	1,337,083
Accumulated depreciation	(36,622)	(199,431)	(1,040)	(1,236)	–	(238,329)
Net carrying amount	231,503	861,869	564	1,366	3,452	1,098,754
At 1 January 2024, net of accumulated depreciation	231,503	861,869	564	1,366	3,452	1,098,754
Additions	–	2,202	–	193	5,818	8,213
Transfers	–	7,064	–	–	(7,064)	–
Depreciation provided during the year	(12,738)	(75,898)	(244)	(452)	–	(89,332)
At 31 December 2024, net of accumulated depreciation	218,765	795,237	320	1,107	2,206	1,017,635
At 31 December 2024:						
Cost	268,125	1,070,566	1,604	2,795	2,206	1,345,296
Accumulated depreciation	(49,360)	(275,329)	(1,284)	(1,688)	–	(327,661)
Net carrying amount	218,765	795,237	320	1,107	2,206	1,017,635

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	268,125	1,070,566	1,604	2,795	2,206	1,345,296
Accumulated depreciation	(49,360)	(275,329)	(1,284)	(1,688)	–	(327,661)
Net carrying amount	218,765	795,237	320	1,107	2,206	1,017,635
At 1 January 2025 net of accumulated depreciation	218,765	795,237	320	1,107	2,206	1,017,635
Additions	–	829	9	1,017	217,058	218,913
Transfers	–	6,966	136	–	(7,102)	–
Disposals	–	(5,210)	–	(63)	–	(5,273)
Depreciation provided during the year	(12,738)	(76,481)	(80)	(553)	–	(89,852)
At 31 December 2025, net of accumulated depreciation	206,027	721,341	385	1,508	212,162	1,141,423
At 31 December 2025:						
Cost	268,125	1,070,022	1,750	3,339	212,162	1,555,398
Accumulated depreciation	(62,098)	(348,681)	(1,365)	(1,831)	–	(413,975)
Net carrying amount	206,027	721,341	385	1,508	212,162	1,141,423

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026						
At 1 January 2026:						
Cost	268,125	1,070,022	1,750	3,339	212,162	1,555,398
Accumulated depreciation	(62,098)	(348,681)	(1,365)	(1,831)	–	(413,975)
Net carrying amount	206,027	721,341	385	1,508	212,162	1,141,423
At 1 January 2026 net of accumulated depreciation	206,027	721,341	385	1,508	212,162	1,141,423
Additions	–	1,742	43	376	605,878	608,039
Transfers	98,227	300,815	67	–	(399,798)	(689)
Disposals	–	(130)	–	–	–	(130)
Depreciation provided during the period	(7,463)	(41,664)	(45)	(302)	–	(49,474)
At 30 June 2026 net of accumulated depreciation	296,791	982,104	450	1,582	418,242	1,699,169
At 30 June 2026:						
Cost	366,352	1,332,389	1,860	3,715	418,242	2,122,558
Accumulated depreciation	(69,561)	(350,285)	(1,410)	(2,133)	–	(423,389)
Net carrying amount	296,791	982,104	450	1,582	418,242	1,699,169

The Group was in the process of obtaining property ownership certificates for certain of the Group's buildings with carrying amount of nil, nil, nil and RMB97,145,000 as at 31 December 2023 , 2024 and 2025 and 30 June 2026.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Group's property, plant and equipment with aggregate carrying amounts of approximately RMB506,316,000, RMB319,484,000, RMB295,473,000 and RMB281,701,000 respectively, were pledged to secure interest-bearing bank loans, and certain of the Group's property, plant and equipment with aggregate carrying amounts of approximately RMB348,921,000, RMB323,603,000, RMB381,478,000 and RMB364,317,000, respectively, were pledged to secure interest-bearing other borrowings of the Group.

The Company

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	65,368	348,474	1,046	1,302	–	416,190
Accumulated depreciation	(14,462)	(94,048)	(511)	(495)	–	(109,516)
Net carrying amount	50,906	254,426	535	807	–	306,674
At 1 January 2023, net of accumulated depreciation	50,906	254,426	535	807	–	306,674
Additions	–	–	–	–	16,573	16,573
Transfers	–	16,556	17	–	(16,573)	–
Disposals	–	(957)	–	–	–	(957)
Depreciation provided during the year	(3,107)	(24,105)	(178)	(247)	–	(27,637)
At 31 December 2023, net of accumulated depreciation	47,799	245,920	374	560	–	294,653
At 31 December 2023:						
Cost	65,368	364,073	1,063	1,302	–	431,806
Accumulated depreciation	(17,569)	(118,153)	(689)	(742)	–	(137,153)
Net carrying amount	47,799	245,920	374	560	–	294,653

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	65,368	364,073	1,063	1,302	–	431,806
Accumulated depreciation	(17,569)	(118,153)	(689)	(742)	–	(137,153)
Net carrying amount	47,799	245,920	374	560	–	294,653
At 1 January 2024, net of accumulated depreciation	47,799	245,920	374	560	–	294,653
Additions	–	218	–	193	3,364	3,775
Transfers	–	3,037	–	–	(3,037)	–
Disposals	–	(668)	–	–	–	(668)
Depreciation provided during the year	(3,106)	(25,074)	(109)	(205)	–	(28,494)
At 31 December 2024, net of accumulated depreciation	44,693	223,433	265	548	327	269,266
At 31 December 2024:						
Cost	65,368	366,660	1,063	1,495	327	434,913
Accumulated depreciation	(20,675)	(143,227)	(798)	(947)	–	(165,647)
Net carrying amount	44,693	223,433	265	548	327	269,266

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	65,368	366,660	1,063	1,495	327	434,913
Accumulated depreciation	(20,675)	(143,227)	(798)	(947)	–	(165,647)
Net carrying amount	44,693	223,433	265	548	327	269,266
At 1 January 2025, net of accumulated depreciation	44,693	223,433	265	548	327	269,266
Additions	–	–	–	302	7,451	7,753
Transfers	–	6,705	136	–	(6,841)	–
Disposals	–	(4,554)	–	(11)	–	(4,565)
Depreciation provided during the year	(3,106)	(25,290)	(61)	(238)	–	(28,695)
At 31 December 2025, net of accumulated depreciation	41,587	200,294	340	601	937	243,759
At 31 December 2025:						
Cost	65,368	364,658	1,199	1,571	937	433,733
Accumulated depreciation	(23,781)	(164,364)	(859)	(970)	–	(189,974)
Net carrying amount	41,587	200,294	340	601	937	243,759

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026						
At 1 January 2026:						
Cost	65,368	364,658	1,199	1,571	937	433,733
Accumulated depreciation	(23,781)	(164,364)	(859)	(970)	–	(189,974)
Net carrying amount	41,587	200,294	340	601	937	243,759
At 1 January 2026, net of accumulated depreciation	41,587	200,294	340	601	937	243,759
Additions	–	495	–	345	55,241	56,081
Transfers	–	(41,747)	67	–	41,680	–
Disposals	–	(928)	–	–	–	(928)
Depreciation provided during the period	(1,553)	(11,405)	(38)	(126)	–	(13,122)
At 30 June 2026, net of accumulated depreciation	40,034	146,709	369	820	97,858	285,790
At 30 June 2026:						
Cost	65,368	282,123	1,266	1,916	97,858	448,531
Accumulated depreciation	(25,334)	(135,414)	(897)	(1,096)	–	(162,741)
Net carrying amount	40,034	146,709	369	820	97,858	285,790

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Company's property, plant and equipment with aggregate carrying amounts of approximately RMB157,130,000, nil, nil and nil, respectively, were pledged to secure interest-bearing bank loans of the Company, and certain of the Company's property, plant and equipment with aggregate carrying amounts of approximately nil, nil, RMB160,578,000 and RMB151,156,000, respectively, were pledged to secure interest-bearing other borrowings of the Company.

15. LEASES

The Group as a lessee

The Group has lease contracts for plant and properties and land used in its operations. Leases of land generally have lease terms between 30 and 50 years. Leases of plant and properties generally have lease terms between 3 and 8 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Leased plant and properties	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	1,783	28,164	29,947
Additions	935	–	935
Depreciation charge	(1,049)	(605)	(1,654)
As at 31 December 2023 and 1 January 2024	1,669	27,559	29,228
Additions	1,740	–	1,740
Depreciation charge	(1,262)	(605)	(1,867)
As at 31 December 2024 and 1 January 2025	2,147	26,954	29,101
Additions	951	15,895	16,846
Depreciation charge	(1,315)	(710)	(2,025)
As at 31 December 2025 and 1 January 2026	1,783	42,139	43,922
Additions	737	–	737
Depreciation charge	(669)	(639)	(1,308)
As at 30 June 2026	1,851	41,500	43,351

As at 31 December 2023 , 2024 and 2025 and 30 June 2026, certain of the Group's leasehold land with aggregate carrying amounts of approximately RMB12,370,000, RMB 3,737,000, RMB3,662,000 and RMB23,522,000 respectively, were pledged to secure interest-bearing bank loans, and certain of the Group's leasehold land with aggregate carrying amounts of approximately RMB4,314,000, RMB4,221,000, RMB4,137,000 and RMB4,091,000, respectively, were pledged to secure interest-bearing other borrowings of the Group.

The Company

	Leased plant and properties	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	487	8,751	9,238
Additions	100	–	100
Depreciation charge	(440)	(199)	(639)
As at 31 December 2023 and 1 January 2024	147	8,552	8,699
Additions	1,229	–	1,229
Depreciation charge	(481)	(199)	(680)
As at 31 December 2024 and 1 January 2025	895	8,353	9,248
Additions	33	–	33
Depreciation charge	(454)	(199)	(653)
As at 31 December 2025 and 1 January 2026	474	8,154	8,628
Additions	72	–	72
Depreciation charge	(224)	(100)	(324)
As at 30 June 2026	322	8,054	8,376

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Company's leasehold land with aggregate carrying amounts of approximately RMB8,552,000, nil, nil and nil, respectively, were pledged to secure interest-bearing bank loans of the Company.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	2,435	3,172	5,087	6,052
New leases	935	1,740	951	737
Accretion of interest recognised during the year/period	149	239	163	26
Payments	(347)	(64)	(149)	(43)
Carrying amount at the end of year/period	3,172	5,087	6,052	6,772
Analysed into:				
Current portion	705	4,533	5,499	6,108
Non-current portion	2,467	554	553	664

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of year/period	1,117	1,252	2,586	2,666
New leases	100	1,229	33	72
Accretion of interest recognised during the year/period	69	130	81	6
Payments	(34)	(25)	(34)	(25)
Carrying amount at the end of year/period	1,252	2,586	2,666	2,719
Analysed into:				
Current portion	562	2,365	2,602	2,692
Non-current portion	690	221	64	27

The maturity analysis of lease liabilities is disclosed in note 38.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Depreciation charge of right-of-use assets	1,654	1,867	2,025	940	1,308
Interest on lease liabilities	149	239	163	137	26
Total amount recognised in profit or loss	1,803	2,106	2,188	1,077	1,334

The Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	
Depreciation charge of right-of-use assets	639	680	653	327	324
Interest on lease liabilities	69	130	81	74	6
Total amount recognised in profit or loss	708	810	734	401	330

16. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
At 1 January 2023:	
Cost	1,441
Accumulated amortisation	(47)
Net carrying amount	1,394
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	1,394
Additions	326
Amortisation provided during the year	(155)
At 31 December 2023	1,565
At 31 December 2023 and at 1 January 2024:	
Cost	1,767
Accumulated amortisation	(202)
Net carrying amount	1,565

	Software
	RMB'000
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	1,565
Amortisation provided during the year	(176)
At 31 December 2024	1,389
At 31 December 2024 and at 1 January 2025:	
Cost	1,767
Accumulated amortisation	(378)
Net carrying amount	1,389
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	1,389
Amortisation provided during the year	(177)
At 31 December 2025	1,212
At 31 December 2025 and at 1 January 2026:	
Cost	1,767
Accumulated amortisation and impairment	(555)
Net carrying amount	1,212
30 June 2026	
Cost at 1 January 2026, net of accumulated amortisation	1,212
Transfers	689
Amortisation provided during the period	(123)
At 30 June 2026	1,778
At 30 June 2026:	
Cost	2,456
Accumulated amortisation	(678)
Net carrying amount	1,778

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the end of year/period	521,320	531,520	583,020	683,220

The Company's outstanding balances with the subsidiaries are disclosed in note 34.

18. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Tax losses	Impairment provision	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	2,847	10,771	498	14,116
Effect on opening deferred tax of decrease in rates	–	(177)	(239)	(131)	(547)
Deferred tax credited to profit or loss during the year	29	1,317	2,919	109	4,374
Gross deferred tax assets at 31 December 2023 and 1 January 2024	29	3,987	13,451	476	17,943
Deferred tax credited to profit or loss during the year	2,632	194	447	287	3,560
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,661	4,181	13,898	763	21,503
Deferred tax (charged)/credited to profit or loss during the year	(834)	(2,318)	(651)	145	(3,658)
Gross deferred tax assets at 31 December 2025 and 1 January 2026	1,827	1,863	13,247	908	17,845
Deferred tax (charged)/credited to profit or loss during the period	(931)	(425)	370	109	(877)
Gross deferred tax assets at 30 June 2026	896	1,438	13,617	1,017	16,968

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	–	398	398
Effect on opening deferred tax of decrease in rates	–	129	129
Deferred tax credited to profit or loss during the year	–	(276)	(276)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	–	251	251
Deferred tax charged to profit or loss during the year	–	72	72
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	–	323	323
Deferred tax credited to profit or loss during the year	–	(55)	(55)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	–	268	268
Deferred tax charged to profit or loss during the period	2,171	10	2,181
Gross deferred tax liabilities at 30 June 2026	2,171	278	2,449

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	17,692	21,180	17,577	14,519

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Tax losses	Impairment provision	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	2,404	10,174	166	12,744
Deferred tax credited/(charged) to profit or loss during the year	–	1,214	(892)	22	344
Gross deferred tax assets at 31 December 2023 and 1 January 2024	–	3,618	9,282	188	13,088
Deferred tax credited to profit or loss during the year	2,629	216	651	200	3,696
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,629	3,834	9,933	388	16,784
Deferred tax (charged)/credited to profit or loss during the year	(1,037)	(1,989)	(448)	12	(3,462)
Gross deferred tax assets at 31 December 2025 and 1 January 2026	1,592	1,845	9,485	400	13,322
Deferred tax (charged)/credited to profit or loss during the period	(1,592)	(804)	(578)	7	(2,967)
Gross deferred tax assets at 30 June 2026	–	1,041	8,907	407	10,355

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	72
Deferred tax credited to profit or loss during the year	(50)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	22
Deferred tax charged to profit or loss during the year	113
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	135
Deferred tax credited to profit or loss during the year	(64)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	71
Deferred tax credited to profit or loss during the period	(23)
Gross deferred tax liabilities at 30 June 2026	48

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	13,066	16,649	13,251	10,307

19. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	30,756	28,259	30,952	27,422
Finished goods	176,708	180,000	162,722	350,792
Work in progress	207,254	225,084	333,558	499,287
	414,718	433,343	527,232	877,501
Less: Provision for impairment losses on inventories	(16,361)	(12,141)	(2,079)	(3,408)
Net carrying amount	398,357	421,202	525,153	874,093

The movements in provision

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	4,530	16,361	12,141	2,079
Impairment losses recognised *(note 6)*	14,270	3,696	1,927	1,571
Amounts utilised	(2,439)	(7,916)	(11,989)	(242)
Carrying amount at the end of the year/ period	16,361	12,141	2,079	3,408

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	14,627	15,432	12,657	14,865
Finished goods	85,345	92,243	72,898	145,290
Work in progress	101,232	113,958	158,758	192,127
	201,204	221,633	244,313	352,282
Less: Provision for impairment losses on inventories	(13,943)	(9,896)	(2,048)	(2,124)
Net carrying amount	187,261	211,737	242,265	350,158

The movements in provision

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/ period	2,819	13,943	9,896	2,048
Impairment losses recognised	11,852	1,561	–	318
Amounts utilised	(728)	(5,608)	(7,848)	(242)
Carrying amount at the end of the year/period	13,943	9,896	2,048	2,124

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	963,163	1,335,451	1,703,172	1,104,257
Bank acceptance notes	238,435	407,887	220,043	596,976
Commercial acceptance bills	–	–	500	–
Less: Impairment losses	(10,084)	(15,553)	(10,327)	(5,400)
Net carrying amount	1,191,514	1,727,785	1,913,388	1,695,833

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,191,121	1,723,969	1,913,335	1,695,818
1 to 2 years	99	3,806	15	15
2 to 3 years	294	10	38	–
Total	1,191,514	1,727,785	1,913,388	1,695,833

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	11,672	10,084	15,553	10,327
(Reversal of impairment losses)/impairment losses	(1,588)	5,469	(5,162)	(4,907)
Amount written off as uncollectible	–	–	(64)	(20)
At end of year/period	10,084	15,553	10,327	5,400

The Group applies the simplified approach in calculating ECLs for trade receivables. The trade receivables are grouped and collectively assessed for impairment allowance. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of receivables for groups of customers based on the invoice date that have similar credit rating. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

The Group's bank acceptance notes aged within one year were neither past due nor impaired. Since accepting banks are reputable financial institutions, the management of the Company assessed that the credit loss to be minimal.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2023					
On collective basis:					
Expected credit loss rate	0.98%	18.37%	59.49%	100.00%	1.05%
Gross carrying amount *(RMB'000)*	962,115	121	727	200	963,163
Expected credit losses *(RMB'000)*	9,430	22	432	200	10,084

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2024					
On collective basis:					
Expected credit loss rate	0.96%	33.40%	80.71%	100.00%	1.16%
Gross carrying amount *(RMB'000)*	1,328,776	5,715	51	909	1,335,451
Expected credit losses *(RMB'000)*	12,694	1,909	41	909	15,553

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2025					
On collective basis:					
Expected credit loss rate	0.57%	16.67%	80.21%	100.00%	0.61%
Gross carrying amount *(RMB'000)*	1,702,919	18	187	548	1,703,672
Expected credit losses *(RMB'000)*	9,626	3	150	548	10,327

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 30 June 2026					
On collective basis:					
Expected credit loss rate	0.47%	16.67%	–	100.00%	0.49%
Gross carrying amount *(RMB'000)*	1,104,029	18	–	210	1,104,257
Expected credit losses *(RMB'000)*	5,187	3	–	210	5,400

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group's trade and bills receivables, with aggregate carrying amounts of approximately RMB504,358,000, RMB857,464,000, RMB663,323,000 and RMB480,881,000, respectively, were pledged to banks as collateral for the issuance of bank acceptance notes.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, other borrowings were secured by trade and bills receivables. Details can be found in note 26.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	963,163	1,335,329	1,668,686	946,513
Bank acceptance notes	237,917	407,824	209,871	551,434
Commercial acceptance bills	–	–	500	–
Less: Impairment losses	(10,084)	(15,552)	(10,132)	(4,659)
Net carrying amount	1,190,996	1,727,601	1,868,925	1,493,288

An ageing analysis of the trade and bills receivables of the Company as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,190,603	1,723,785	1,868,872	1,493,273
1 to 2 years	99	3,806	15	15
2 to 3 years	294	10	38	–
Total	1,190,996	1,727,601	1,868,925	1,493,288

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	11,672	10,084	15,552	10,132
(Reversal of impairment losses)/impairment losses	(1,588)	5,468	(5,356)	(5,453)
Amount written off as uncollectible	–	–	(64)	(20)
At end of year/period	10,084	15,552	10,132	4,659

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2023					
On a collective basis:					
Expected credit loss rate	0.98%	18.37%	59.49%	100.00%	1.05%
Gross carrying amount *(RMB'000)*	962,115	121	727	200	963,163
Expected credit losses *(RMB'000)*	9,430	22	432	200	10,084
As at 31 December 2024					
On a collective basis:					
Expected credit loss rate	0.96%	33.40%	80.71%	100.00%	1.16%
Gross carrying amount *(RMB'000)*	1,328,654	5,715	51	909	1,335,329
Expected credit losses *(RMB'000)*	12,693	1,909	41	909	15,552
As at 31 December 2025					
On a collective basis:					
Expected credit loss rate	0.57%	16.67%	80.21%	100.00%	0.61%
Gross carrying amount *(RMB'000)*	1,668,433	18	187	548	1,669,186
Expected credit losses *(RMB'000)*	9,431	3	150	548	10,132
As at 30 June 2026					
On a collective basis:					
Expected credit loss rate	0.47%	16.67%	–	100.00%	0.49%
Gross carrying amount *(RMB'000)*	946,285	18	–	210	946,513
Expected credit losses *(RMB'000)*	4,446	3	–	210	4,659

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
VAT and other tax recoverable	52,368	46,694	65,266	82,572
Prepayments to suppliers	1,603	8,850	33,554	41,979
Deposits and other receivables	759	857	1,136	6,410
Prepayment of **[REDACTED]**	–	–	2,516	2,947
Less: Impairment allowance	(137)	(177)	(202)	(312)
Subtotal	54,593	56,224	102,270	133,596
Non-current:				
Prepayments for long-term assets	422	8,488	40,353	35,902
Total	55,015	64,712	142,623	169,498

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the ECLs of other receivables were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant periods.

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Other tax recoverable	23,485	24,747	–	16,837
Prepayments to suppliers	943	5,806	22,960	34,709
Deposits and other receivables	312	400	550	5,703
Prepayment of **[REDACTED]**	–	–	2,516	2,947
Less: Impairment allowance	(91)	(111)	(118)	(158)
Subtotal	24,649	30,842	25,908	60,038
Non-current:				
Prepayments for **[REDACTED]**	414	632	408	3,823
Total	25,063	31,474	26,316	63,861

22. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	571,528	894,523	1,052,741	1,866,750
Less: Pledged time deposits*	307,782	322,109	170,045	129,941
Less: Pledged deposits**	44,000	463,585	444,396	1,015,577
Less: Restricted deposits***	–	1,751	32,104	–
Cash and cash equivalents	219,746	107,078	406,196	721,232

Cash at banks earns interest at floating rates based on daily bank deposit rates.

* *Time deposits amounting to RMB307,782,000, RMB322,109,000, RMB170,045,000 and RMB129,941,000 were pledged to banks as collateral for the issuance of bank acceptance notes as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.*

** *Pledged deposits represented bank deposits amounting to RMB44,000,000, RMB463,585,000, RMB444,396,000 and RMB1,015,577,000 that were pledged to banks as collateral for the issuance of bank acceptance notes as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.*

*** *Restricted deposits represented bank deposits amounting to nil, RMB1,751,000, RMB32,104,000 and nil that were mainly restricted due to litigation and insurance, or pledged for the repayment of bank loans as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. The restricted deposits amounting to RMB 26,000,000 as at 31 December 2025 were released in January 2026 to fully settle the relevant bank loans.*

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents				
Denominated in RMB	219,746	104,777	406,131	720,977
Denominated in USD	–	2,301	65	255
	219,746	107,078	406,196	721,232
Pledged time deposits in RMB	307,782	322,109	170,045	129,941
Pledged deposits in RMB	44,000	463,585	444,396	1,015,577
Restricted deposits in RMB	–	1,751	32,104	–

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents				
Denominated in RMB	163,337	83,668	379,723	628,966
Denominated in USD	–	2,301	65	228
	163,337	85,969	379,788	629,194
Pledged time deposits in RMB	307,782	322,109	160,034	109,817
Pledged deposits in RMB	44,000	350,092	439,358	1,015,576
Restricted deposits in RMB	–	1,751	5,180	–

23. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	121,529	173,034	266,645	471,284
Bills payable	157,058	282,176	174,580	147,240
Total	278,587	455,210	441,225	618,524

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	274,040	449,452	434,277	613,729
1 to 2 years	3,035	2,267	3,398	293
2 to 3 years	832	2,024	575	1,504
Over 3 years	680	1,467	2,975	2,998
Total	278,587	455,210	441,225	618,524

As at the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated their fair values.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	70,723	100,884	102,936	171,801
Bills payable	13,919	66,494	127,218	48,861
Total	84,642	167,378	230,154	220,662

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	81,669	162,763	226,328	217,097
1 to 2 years	1,518	1,807	1,029	162
2 to 3 years	778	1,398	235	824
Over 3 years	677	1,410	2,562	2,579
Total	84,642	167,378	230,154	220,662

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	14,807	16,759	16,914	15,268
Payable for constructions and purchase of equipment	97,709	65,383	139,136	330,708
Deposits and other payables	3,093	2,201	2,406	1,173
Other tax payables	8,905	2,273	6,032	3,431
[REDACTED]	–	–	10,417	–
Total	124,514	86,616	174,905	350,580

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	7,015	7,885	6,878	4,315
Payable for constructions and purchase of equipment	11,967	4,225	5,944	7,926
Deposits and other payables	2,173	2,005	2,241	978
Other tax payables	1,356	1,265	4,818	1,872
[REDACTED]	–	–	10,417	–
Total	22,511	15,380	30,298	15,091

Other payables are non-interest-bearing and unsecured. Except that the payable for purchase of items of property, plant and equipment is repayable within 12 months, all the other payables are repayable on demand.

25. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Copper foil products	269	545	320	1,222

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Copper foil products	269	545	169	147

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	3.00-6.50	2024	170,261
Current portion of long term bank loans – secured	3.30-4.90	2024	54,380
Other borrowings	0.91-5.20	2024	944,894
Total – current			1,169,535
Non-current			
Bank loans – secured	3.30-4.90	2025-2028	278,000
Other borrowings	2.87-5.00	2027	92,365
Total – non-current			370,365
Total			1,539,900

	As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	3.25	2025	20,018
Current portion of long term bank loans – secured	3.30-4.90	2025	98,267
Other borrowings	0.60-5.00	2025	1,885,842
Total – current			2,004,127
Non-current			
Bank loans – secured	4.90	2028	130,000
Other borrowings	2.87-5.00	2027	33,831
Total – non-current			163,831
Total			2,167,958

	As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	2.40-3.00	2026	139,707
Current portion of long term bank loans – secured	4.00-4.20	2026	54,203
Other borrowings	0.58-5.00	2026	2,139,676
Total – current			2,333,586
Non-current			
Bank loans – secured	4.00-4.20	2027-2028	121,000
Other borrowings	2.87-5.00	2027-2028	85,652
Total – non-current			206,652
Total			2,540,238

	As at 30 June 2026		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	2.40-3.30	2026-2027	159,725
Current portion of long term bank loans – secured	3.50-6.99	2026-2027	125,754
Other borrowings	0.54-5.00	2027	2,669,148
Total – current			2,954,627
Non-current			
Bank loans – secured	3.15-6.99	2027-2036	447,554
Other borrowings	4.20-5.00	2027-2028	59,960
Total – non-current			507,514
Total			3,462,141

At 31 December 2023, 2024 and 2025 and 30 June 2026, the details of other borrowings are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Discounted intra-group bills not matured	804,367	1,455,400	1,391,898	2,133,686
Discounted bank acceptance bills not derecognised	82,027	336,553	624,245	447,606
Sale and leaseback loans	150,865	127,720	209,185	147,816
Total	1,037,259	1,919,673	2,225,328	2,729,108

All bank loans of the Group are secured by property, plant, equipment (note 14) and leasehold land (note 15) and/or are guaranteed by related parties (note 34).

At 31 December 2023, 2024 and 2025 and 30 June 2026, other borrowings with carrying amounts of RMB82,402,000, RMB344,352,000, RMB628,961,000 and RMB448,758,000, respectively, arose from the discounting, with recourse, of bills receivable from third parties. The Group continues to recognise the carrying amount of the underlying bills receivable, as presented in note 36, since the Group has retained the substantial risks and rewards. The remaining other borrowings of the Group are secured by property, plant, equipment (note 14), leasehold land (note 15), pledged time deposits and pledged deposits (note 22) and trade and bills receivables (note 20), and/or are guaranteed by related parties (note 34).

At 31 December 2023,2024 and 2025, no secured bank loans were subject to the covenants. At 30 June 2026, the secured bank loans of certain subsidiaries with carrying amounts of RMB102,800,000, RMB222,000,000 and RMB100,000,000 were subject to the covenants that requires the debt-to-asset ratios less than 80%, 70% and 65% respectively. The debt-to-asset ratios were not greater than the covenants as at 30 June 2026 and the Group considers there is no indication that it will have difficulties in complying with this covenant.

The Company

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	3.00-6.50	2024	170,261
Current portion of long term bank loans – secured	3.30	2024	2,107
Other borrowings	0.91-5.20	2024	81,827
Total – current			254,195
Non-current			
Bank loans – secured	3.30	2025	96,000
Total – non-current			96,000
Total			350,195

	As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Current portion of long term bank loans – secured	3.30	2025	46,054
Other borrowings	0.87-3.30	2025	336,553
Total			382,607

	As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	2.40-3.00	2026	139,707
Current portion of long term bank loans – secured	4.00	2026	2,051
Other borrowings	0.68-4.50	2026	751,429
Total – current			893,187
Non-current			
Bank loans – secured	4.00	2027	43,000
Other borrowings – unsecured	4.50	2027-2028	66,581
Total – non-current			109,581
Total			1,002,768

	As at 30 June 2026		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	2.40-3.30	2026-2027	159,725
Current portion of long term bank loans – secured	3.50	2027	44,044
Other borrowings	0.54-4.50	2027	511,794
Total – current			715,563
Non-current			
Other borrowings – unsecured	4.50	2027-2028	50,444
Total – non-current			50,444
Total			766,007

27. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Asset-related grants	82,455	84,284	79,544	82,308
Subtotal	82,455	84,284	79,544	82,308
Current:				
Asset-related grants	7,215	8,367	8,771	8,472
Subtotal	7,215	8,367	8,771	8,472
Total	89,670	92,651	88,315	90,780

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Asset-related grants	56,021	59,205	55,819	52,260
Subtotal	56,021	59,205	55,819	52,260
Current:				
Asset-related grants	5,861	7,013	7,416	7,118
Subtotal	5,861	7,013	7,416	7,118
Total	61,882	66,218	63,235	59,378

The asset-related grants were the subsidies received from the government in relation to the Group's property, plant and equipment. The deferred income is released to profit or loss over the expected useful life of the relevant asset on a straight-line basis.

28. SHARE CAPITAL

Shares

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	Numbers of shares	*Amount RMB'000*	*Numbers of shares*	*Amount RMB'000*	*Numbers of shares*	*Amount RMB'000*	*Numbers of shares*	*Amount RMB'000*	*Numbers of shares*	*Amount RMB'000*
Issued and fully paid:										
Ordinary shares	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629

29. SHARE-BASED PAYMENTS

To provide incentives and rewards to eligible participants who contribute to the Group's operations, the actual controller of the Company, Mr. Li Xianyang, designed and established several employee shareholding platforms for the Company to operate a series of employee incentive schemes (the "**Share Incentive Schemes**"). Eligible participants of the Share Incentive Schemes, including members of senior management, mid-level managers and other employees of the Group, were determined by the actual controller and approved by the Company through shareholders' resolutions.

During the Relevant Periods, 6,046,182 shares were granted and transferred to 13 eligible employees at a subscription price which was below the fair value of the shares. All of the above shares granted to employees were vested immediately without service conditions. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expense" in profit or loss. During the Relevant Periods, the shares granted and transferred to employees under the Scheme are set out below:

	2023		2024		2025		30 June 2026	
	Subscription price	Number of shares	Subscription price	Number of shares	Subscription price	Number of shares	Subscription price	Number of shares
	RMB per share		*RMB per share*		*RMB per share*		*RMB per share*	
Granted and transferred	2.10-2.17	3,967,441	2.08-2.25	1,596,501	2.01-2.30	482,240	–	–

The fair value of the shares was determined by an external valuer using a discounted cash flow model. Key assumptions, such as discount rate, perpetual growth rate and inflation rate, were required to be determined by the Company bases on its best estimates. Key assumptions are set out below:

	2023	2024	2025	30 June 2026
Discount rate	12.50%-13.00%	11.50%	11.50%	–
Perpetual growth rate	2.00%	2.00%	2.00%	–

Share-based payment expense relating to employees recognised for the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Administrative expenses	24,050	20,488	5,629	1,735	–
Research and development expenses	4,060	–	–	–	–
Selling expenses	8,109	–	–	–	–
Cost of sales	786	–	–	–	–
Total	37,005	20,488	5,629	1,735	–

30. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) Share premium

The share premium of the Group represents the difference between the par value of the shares issued.

(ii) Statutory surplus reserve

In accordance with the Company Law of the PRC, companies established in the PRC are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(iii) Special reserve

According to relevant PRC regulations, transfer of production and maintenance funds at fixed rates based on relevant bases to a specific reserve account is required. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained profits.

The Company

	Share capital	Share premium	Statutory surplus reserve	Special reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	232,629	951,622	–	5,117	19,032	1,208,400
Profit and other comprehensive income for the year	–	–	–	–	6,445	6,445
Total comprehensive income for the year	–	–	–	–	6,445	6,445
Equity-settled share-based payment expense	–	37,005	–	–	–	37,005
Dividend declared	–	–	–	–	(11,631)	(11,631)
Appropriation to special reserve	–	–	–	4,254	(4,254)	–
Utilisation of special reserve	–	–	–	(2,193)	2,193	–
Transfer to surplus reserve	–	–	645	–	(645)	–
As at 31 December 2023 and 1 January 2024	232,629	988,627	645	7,178	11,140	1,240,219
Profit and other comprehensive income for the year	–	–	–	–	(35,207)	(35,207)
Total comprehensive income for the year	–	–	–	–	(35,207)	(35,207)
Equity-settled share-based payment expense	–	20,488	–	–	–	20,488
Appropriation to special reserve	–	–	–	3,866	(3,866)	–
Utilisation of special reserve	–	–	–	(1,185)	1,185	–
As at 31 December 2024 and 1 January 2025	232,629	1,009,115	645	9,859	(26,748)	1,225,500
Profit and other comprehensive income for the year	–	–	–	–	24,701	24,701
Total comprehensive income for the year	–	–	–	–	24,701	24,701
Equity-settled share-based payment expense	–	5,629	–	–	–	5,629
Appropriation to special reserve	–	–	–	3,667	(3,667)	–
Utilisation of special reserve	–	–	–	(1,405)	1,405	–
As at 31 December 2025 and 1 January 2026	232,629	1,014,744	645	12,121	(4,309)	1,255,830
Profit and other comprehensive income for the period	–	–	–	–	41,863	41,863
Total comprehensive income for the period	–	–	–	–	41,863	41,863
Utilisation of special reserve	–	–	–	(378)	378	–
As at 30 June 2026	232,629	1,014,744	645	11,743	37,932	1,297,693

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB935,000, RMB1,740,000, RMB951,000 and RMB737,000, respectively, in respect of lease arrangements for plant and properties.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the bills receivable endorsed by the Group to suppliers for the settlement of accounts payable but not yet expired were RMB164,711,000, RMB190,064,000, RMB351,728,000 and RMB294,497,000, respectively, and did not result in any cash flow.

(b) Changes in liabilities arising from financing activities

	Payable of [REDACTED]	Interest-bearing bank and other borrowings*	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	1,663,347	2,435	1,665,782
Changes from financing cash flows	–	(87,185)	(347)	(87,532)
Matured discounted bank acceptance bills	–	(84,628)	–	(84,628)
New leases	–	–	935	935
Interest expense	–	48,366	149	48,515
At 31 December 2023	–	1,539,900	3,172	1,543,072
Changes from financing cash flows	–	649,095	(64)	649,031
Matured discounted bank acceptance bills	–	(82,402)	–	(82,402)
New leases	–	–	1,740	1,740
Interest expense	–	61,365	239	61,604
At 31 December 2024	–	2,167,958	5,087	2,173,045
Changes from financing cash flows	(2,095)	648,430	(149)	646,186
Changes from operating cash flows	(4,155)	–	–	(4,155)
Matured discounted bank acceptance bills	–	(344,352)	–	(344,352)
New leases	–	–	951	951
Addition	16,667	–	–	16,667
Interest expense	–	68,202	163	68,365
At 31 December 2025	10,417	2,540,238	6,052	2,556,707
Changes from financing cash flows	(852)	1,498,984	(43)	1,498,089
Changes from operating cash flows	(12,913)	–	–	(12,913)
Matured discounted bank acceptance bills	–	(628,961)	–	(628,961)
New leases	–	–	737	737
Addition	3,348	–	–	3,348
Interest expense	–	51,880	26	51,906
At 30 June 2026	–	3,462,141	6,772	3,468,913

During the Relevant Periods, net cash inflows from discounting and repaying of intra-group bills and discounting of bank acceptance bills not derecognised, with the amounts of RMB125,510,000, RMB997,562,000, RMB570,552,000 and RMB1,191,297,000, respectively have been recognised in cash flows from financing activities.

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within financing activities	347	64	149	17	43

32. CONTINGENT LIABILITIES

As at the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

33. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Period:

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Properties, plant and equipment	85,199	61,421	630,853	332,926

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship:

Name of related parties	Relationship with the Group
Mr. Li Xianyang	Significant shareholder
Mr. Li Siyang	Significant shareholder
Ms. Lin Jiachun	Mr. Li Xianyang's spouse
Ms. Chen Yingdan	Mr. Li Siyang's spouse

(b) Guarantees provided by related parties

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guarantees for interest-bearing bank loans and other borrowings	1,292,490	892,490	1,810,429	3,012,929
Guarantees for bills payable	1,173,000	1,264,000	1,166,000	1,357,000
Total	2,465,490	2,156,490	2,976,429	4,369,929

During the Relevant Periods, certain interest-bearing bank loans and other borrowings and trade and bills payables were guaranteed by Mr. Li Xianyang, Mr. Li Siyang, Ms. Lin Jiachun and Ms. Chen Yingdan. The guarantees are in effect from 9 December 2022 to 25 June 2039. The guarantees with the amount of RMB3,008,629,000 will be released upon the completion of the successful **[REDACTED]** of the Company.

(c) Outstanding balances with related parties:

The Company

The Company had the following material balances with related parties during the Relevant Periods:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due to subsidiary				
Trade-related				
Trade payables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	97,814	138,739	70,201	218,013
Bills payables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	809,100	1,540,210	1,378,800	2,146,340
Contract liabilities				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	127,727	130,624	15,810	58,043
Non-trade-related				
Other payables, deposits received and accruals				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	50,000	–	–	–

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total	1,084,641	1,809,573	1,464,811	2,422,396
Due from subsidiaries				
Trade-related				
Trade and bills receivables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	4,000	–	25,000	–
Jiangxi Tongbo Materials Co., Ltd.	–	–	26,121	137,715
Prepayments, deposits and other receivables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	76,205	102,567	28,286	–
Total	80,205	102,567	79,407	137,715

During the Relevant Periods, all the remaining balances due to related parties were non-interest-bearing, unsecured and repayable on demand.

The non-trade-related balance at 31 December 2023 was settled in 2024.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	–	–	–	–	–
Salaries, bonuses, allowances and benefits in kind	1,596	967	1,109	463	423
Performance related bonuses	791	677	717	223	142
Share-based payments	–	–	2,978	–	–
Pension scheme contributions	24	18	21	9	6
Total compensation paid to key management personnel	2,411	1,662	4,825	695	571

Further details of the directors', chief executive's and supervisors' emoluments are included in note 9 to the Historical Financial Information.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

Financial assets

As at 31 December 2023

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	135,887	1,055,627	1,191,514
Financial assets included in prepayments, other receivables and other assets	–	759	759
Time deposits	–	307,782	307,782
Pledged deposits	–	44,000	44,000
Cash and cash equivalents	–	219,746	219,746
Total	135,887	1,627,914	1,763,801

As at 31 December 2024

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	248,736	1,479,049	1,727,785
Financial assets included in prepayments, other receivables and other assets	–	857	857
Time deposits	–	322,109	322,109
Restricted cash	–	1,751	1,751
Pledged deposits	–	463,585	463,585
Cash and cash equivalents	–	107,078	107,078
Total	248,736	2,374,429	2,623,165

As at 31 December 2025

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	49,033	1,864,355	1,913,388
Financial assets included in prepayments, other receivables and other assets	–	1,136	1,136
Time deposits	–	170,045	170,045
Restricted cash	–	32,104	32,104
Pledged deposits	–	444,396	444,396
Cash and cash equivalents	–	406,196	406,196
Total	49,033	2,918,232	2,967,265

As at 30 June 2026

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables	60,429	1,635,404	1,695,833
Financial assets included in prepayments, other receivables and other assets	–	6,107	6,107
Time deposits	–	129,941	129,941
Pledged deposits	–	1,015,577	1,015,577
Cash and cash equivalents	–	721,232	721,232
Total	60,429	3,508,261	3,568,690

Financial liabilities

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at amortised cost				
Trade and bills payables	278,587	455,210	441,225	618,524
Financial liabilities included in other payables and accruals	100,802	67,584	151,959	331,881
Interest-bearing bank and other borrowings	1,539,900	2,167,958	2,540,238	3,462,141
Total	1,919,289	2,690,752	3,133,422	4,412,546

36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

Transfer of trade receivables

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group transferred certain trade receivables due from certain specified customers with aggregate carrying amounts of RMB25,316,000, RMB78,655,000, RMB28,551,000 and RMB87,586,000, respectively. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the transferred trade receivables. Accordingly, it has derecognised the full carrying amounts of the transferred trade receivables.

Bills endorsed or discounted

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable accepted by banks in the Chinese Mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB14,341,000, RMB14,240,000, RMB261,048,000 and RMB247,342,000, respectively, and discounted certain bills receivable to banks in the Chinese Mainland (together, the "**Derecognised Bills**") with carrying amounts in aggregate of RMB1,165,626,000, RMB926,496,000, RMB1,650,936,000 and RMB2,853,222,000. The Derecognised Bills had a maturity of one to twelve months at each of the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Transferred financial assets that are not derecognised in their entirety

Factoring trade receivables

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the "**Arrangement**") and transferred certain trade receivables to a bank. Under the Arrangement, the Group has retained the substantial risks and rewards and accordingly, it continued to recognise the full carrying amounts of the trade receivables. The original carrying amounts of the trade receivables transferred under the Arrangement that have not been settled as at 31 December 2023, 2024, and 2025 and 30 June 2026 were nil, RMB258,583,000, RMB589,687,000 and RMB10,238,000, respectively.

Bills endorsed or discounted

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable (the "**Endorsed Bills**") with carrying amounts of RMB37,403,000, RMB55,005,000, RMB107,191,000 and RMB87,357,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"); the Group discounted certain bills receivables (the "**Discounted Bills**") with carrying amounts of RMB82,402,000, RMB85,769,000, RMB39,274,000 and RMB438,520,000 respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled, and the Discounted Bills and the associated interest-bearing loans settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits issued by banks in the Chinese Mainland. The Group has estimated the fair value of these structured deposits based on the net value announced by the bank at the end of each reporting period.

The Group has bank acceptance notes issued by banks in the Chinese Mainland measured at fair value through other comprehensive income. The Group has estimated the fair value of these bank acceptance notes by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

If the interest rate of bank and other borrowings had increased/decreased by 50 basis points and all other variables were held constant, the profit before tax of the Group, through the impact on floating rate borrowings, would have increased/decreased by approximately nil, RMB100,000, nil and RMB2,237,770 for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific verification procedures.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had certain concentrations of credit risk as 42%, 50%, 40% and 36% of the Group's trade and bills receivables were due from the Group's the largest debtor, respectively.

Maximum exposure and year-/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-/period-end staging classification.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	1,201,598	1,201,598
Financial assets included in prepayments, other receivables and other assets**					
– Normal**	759	–	–	–	759
Pledged deposits	44,000	–	–	–	44,000
Time deposits	307,782	–	–	–	307,782
Cash and cash equivalents	219,746	–	–	–	219,746
Total	572,287	–	–	1,201,598	1,773,885

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	1,743,338	1,743,338
Financial assets included in prepayments, other receivables and other assets**					
– Normal**	857	–	–	–	857
Pledged deposits	463,585	–	–	–	463,585
Time deposits	322,109	–	–	–	322,109
Restricted cash	1,751	–	–	–	1,751
Cash and cash equivalents	107,078	–	–	–	107,078
Total	895,380	–	–	1,743,338	2,638,718

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	1,923,715	1,923,715
Financial assets included in prepayments, other receivables and other assets – Normal**	1,136	–	–	–	1,136
Pledged deposits	444,396	–	–	–	444,396
Time deposits	170,045	–	–	–	170,045
Restricted cash	32,104	–	–	–	32,104
Cash and cash equivalents	406,196	–	–	–	406,196
Total	1,053,877	–	–	1,923,715	2,977,592

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	1,701,233	1,701,233
Financial assets included in prepayments, other receivables and other assets – Normal**	6,410	–	–	–	6,410
Pledged deposits	1,015,577	–	–	–	1,015,577
Time deposits	129,941	–	–	–	129,941
Restricted cash	5,000	–	–	–	5,000
Cash and cash equivalents	721,232	–	–	–	721,232
Total	1,878,160	–	–	1,701,233	3,579,393

* *For trade and bills receivables to which the Group applies the simplified approach for impairment is disclosed in note 20.*

** *The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".*

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023					
Lease liabilities	725	2,526	154	–	3,405
Trade and bills payables	278,587	–	–	–	278,587
Financial liabilities included in other payables and accruals	100,803	–	–	–	100,803
Interest-bearing bank and other borrowings	1,207,175	217,182	78,684	102,598	1,605,639
Total	1,587,290	219,708	78,838	102,598	1,988,434

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024					
Lease liabilities	4,687	571	–	–	5,258
Trade and bills payables	455,210	–	–	–	455,210
Financial liabilities included in other payables and accruals	67,584	–	–	–	67,584
Interest-bearing bank and other borrowings	2,089,097	78,684	75,324	27,274	2,270,379
Total	2,616,578	79,255	75,324	27,274	2,798,431

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025					
Lease liabilities	5,540	423	142	–	6,105
Trade and bills payables	441,225	–	–	–	441,225
Financial liabilities included in other payables and accruals	151,959	–	–	–	151,959
Interest-bearing bank and other borrowings	2,343,085	155,302	61,374	–	2,559,761
Total	2,941,809	155,725	61,516	–	3,159,050

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026					
Lease liabilities	6,151	590	86	–	6,827
Trade and bills payables	618,524	–	–	–	618,524
Financial liabilities included in other payables and accruals	331,881	–	–	–	331,881
Interest-bearing bank and other borrowings	3,053,215	205,187	119,479	173,563	3,551,444
Total	4,009,771	205,777	119,565	173,563	4,508,676

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a net debt to capitalization ratio, which is net debt divided by total capital plus net debt. The Group includes, within net debt, interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The net debt to capitalization ratios as at the end of the reporting periods were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	278,587	455,210	441,225	618,524
Other payables and accruals	124,514	86,616	174,905	350,580
Interest-bearing bank and other borrowings	1,539,900	2,167,958	2,540,238	3,462,141
Lease liabilities	3,172	5,087	6,052	6,772
Less: Cash and cash equivalents	(219,746)	(107,078)	(406,196)	(721,232)
Net debt	1,726,427	2,607,793	2,756,224	3,716,785
Equity attributable to owners of the parent	1,331,276	1,372,345	1,515,962	1,716,637
Capital and net debt	3,057,703	3,980,138	4,272,186	5,433,422
Net debt to capitalization ratio	56%	66%	65%	68%

39. EVENTS AFTER THE RELEVANT PERIODS

There were no other significant events that required additional disclosure or adjustments occurred after the end of the Relevant Periods.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Articles of Association is considered and approved at the general meeting of the Company, which shall come into effective and be implemented upon the **[REDACTED]** of the **[REDACTED]** shares of the Company and from the date of its **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange. The following information is only a summary, not covering all the information that may be material to potential **[REDACTED]**.

GENERAL PROVISIONS

The Company is a joint stock company with perpetual existence.

All assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

From the effective date of the Articles of Association, the Articles of Association shall be a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall be a legally binding document governing on the Company, its shareholders, directors and senior management. Pursuant to the Articles of Association, a shareholder may take legal actions against the other shareholders; a shareholder may take legal actions against the Company's directors and senior management; a shareholder may take legal actions against the Company; and the Company may take legal actions against its shareholders, directors and senior management.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares he/she subscribes for.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Capital Increase

The Company may, based on its operational and developmental needs, increase its capital in accordance with applicable laws, administrative regulations, and subject to a resolution of the general meeting, by any of the following methods:

i. issuing shares to non-specific objects;

ii. issuing shares to specific objects;

iii. allotment bonus shares to existing shareholders;

iv. converting the reserve funds to share capital;

v. other methods permitted by the laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

Capital Reduction

The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in the Company Law, other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company shall not acquire its shares, except under one of the following circumstances:

i. reducing the registered capital of the Company;

ii. merging with other companies that hold shares in the Company;

iii. using the shares for employee shareholding schemes or as share incentives;

iv. acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;

v. using the shares to satisfy the conversion of those corporate bonds convertible into share certificates issued by the Company;

vi. safeguarding corporate value and shareholders' equity as the Company deems necessary.

Subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are **[REDACTED]**, the Company may acquire its own shares through public and centralized trading or by other methods recognized by laws, administrative regulations, and the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange. The Company shall also comply with the provisions of applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

In the event that the Company acquires its own shares under the circumstances set forth in (I) and (II) above, this shall be resolved at a general meeting of shareholders; in the event that the Company acquires its own shares under the circumstances set forth in (III), (V) and (VI) above, subject to compliance with the rules of the securities regulatory authorities of the place where the Company's shares are listed, this shall be resolved at a board meeting with more than two-thirds of directors present.

After the Company acquires its own shares, under the circumstance in (I) above, the shares so acquired shall be cancelled within 10 days from the date of acquisition. In the case of (II) or (IV) above, the shares so acquired shall be transferred or cancelled within 6 months. In the event that the Company acquires its own shares under the circumstances set forth in (III), (V) or (VI) above, the shares so acquired shall not exceed 10% of the total issued shares of the Company, and they shall be transferred or cancelled within 3 years.

Notwithstanding the foregoing, where laws, regulations and the securities regulatory authorities of the place where the Company's shares are listed have otherwise prescribed relevant matters concerning share repurchase, the Company shall also comply with such relevant regulations. The repurchase of the Company's H shares shall comply with the Listing Rules and other relevant laws, regulations and regulatory requirements of the place where the Company's H shares are listed.

Transfer of Shares

The shares of the Company may be transferred in accordance with the laws.

The Company shall not accept any of its own shares as the subject of pledges.

Shares issued prior to the Company's **[REDACTED]** of shares shall not be transferred for a period of 1 year from the date of **[REDACTED]** and trading of the Company's shares on the stock exchange.

The directors and senior management of the Company shall declare to the Company the numbers of the shares of the Company held by them and the changes thereof and shall not transfer in a given year during their terms of office determined at the time of their assumption of office more than 25% of the total number of shares of the Company they hold. The shares of the Company held by the said person shall not be transferred within 1 year from the date of **[REDACTED]** and trading of the Company's shares. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within 6 months from his/her termination of the office. Where the securities regulatory rules of the place where the Company's shares are **[REDACTED]** have otherwise prescribed restrictions on the transfer of the Company's shares, such relevant regulations shall also be complied with.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The shareholders of the Company shall be entitled to the following rights:

i. to receive distribution of dividends and other forms of benefits in proportion to their shareholdings;

ii. to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the general meeting and exercise corresponding right to speak and voting right;

iii. to supervise the business operations of the Company, put forward proposals or raise enquiries;

iv. to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations, other relevant regulations and the Articles of Association;

v. to inspect and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of the Board meetings and financial accounting reports, for shareholders who meet the prescribed requirements, to inspect the accounting books and accounting vouchers of the Company;

vi. in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;

vii. with respect to shareholders who voted against any resolution adopted at any general meetings on the merger or division of the Company, to request the Company to buy back the shares held by them;

viii. other rights as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

Where the content of a resolution of the general meeting or the meeting of the Board of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to hold it invalid.

If the convening procedure or voting method of a general meeting or board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the People's Court to revoke the resolution within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the Board meetings and those without material impact on resolutions.

Where directors (other than members of the Audit Committee) or senior management violate any laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, shareholders holding 1% or more of the Company's shares individually or jointly for 180 consecutive days or more shall have the right to request in writing that the Audit Committee file a lawsuit with the People's Court. Where members of the Audit Committee violate any laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, the aforesaid shareholders may request in writing that the Board file a lawsuit with the People's Court.

In the event that the Audit Committee or the Board refuses to file a lawsuit after receiving the shareholders' written request specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receipt of such request, or in an emergency where failure to immediately file a lawsuit will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph shall have the right to directly file a lawsuit with the People's Court in their own names for the interests of the Company.

In the event that any person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified hereinbefore may file an action with the People's Court pursuant to the provisions of the preceding two paragraphs.

The shareholders of the Company shall have the following obligations:

i. to comply with the laws, administrative regulations, and the Articles of Association;

ii. to pay subscription monies according to the number of shares subscribed and the method of subscription;

iii. not to withdraw shares unless required by the laws and regulations;

iv. not to abuse their shareholders' rights to harm the legitimate interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the legitimate interests of any creditor of the Company;

v. any other obligations imposed by the laws, administrative regulations and the Articles of Association.

Shareholders who abuse their rights and thereby cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders who abuse the Company's status as an independent legal entity and the limited liability of shareholders to evade debts and thereby materially prejudice the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Restriction on Rights of the Controlling Shareholders

The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the Company.

The Company's Controlling Shareholders and Actual Controllers shall comply with the following provisions:

i. to exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

ii. to strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

iii. to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

iv. not to occupy the Company's funds in any way;

v. not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

vi. not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

vii. not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

viii. to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way; and

ix. other provisions stipulated by laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are **[REDACTED]** and the stock exchange.

General Rules of the General Meeting

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

i. to elect and replace directors who are not appointed by employee representatives and decide on matters relating to the remuneration of directors and supervisors;

ii. to consider and approve reports of the Board;

iii. to consider and approve profit distribution plans and loss recovery plans of the Company;

iv. to decide on any increase or reduction of the registered capital of the Company;

v. to decide on the issuance of corporate bonds;

vi. to decide on merger, division, dissolution, liquidation and change of form of the Company;

vii. to amend the Articles of Association;

viii. to decide on the engagement or dismissal of the accounting firm of the Company;

ix. to consider and approve the guarantees as provided below;

x. to consider the purchase or disposal of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within one year;

xi. to consider the change of the **[REDACTED]**;

xii. to consider using the shares for employee shareholding schemes or as share incentives;

xiii. to consider other matters which are required to be determined at the general meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following external guarantee offered by the Company shall be considered and approved by a general meeting:

i. guarantee where the amount of a single guarantee exceeds 10% of the audited net assets of the latest period;

ii. guarantee provided after the aggregate amount of guarantees offered by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;

iii. guarantee provided for the guaranteed party whose asset-liability ratio exceeds 70%;

iv. guarantee amount within a consecutive 12-month period exceeds 30% of the company's audited total assets of the latest period;

v. guarantee provided to shareholders, de facto controllers and their connected parties;

vi. the total amount of external guarantees provided by the company exceeds any guarantees provided after 30% of the total assets in the latest audited period;

vii. other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the stock exchange where the company's shares are listed, or the company's Articles of Association that shall be decided by the shareholders' meeting.

General meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year and within 6 months from the close of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

i. the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number as specified in the Articles of Association;

ii. when the number of independent non-executive directors falls below the statutory minimum;

iii. the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

iv. on request by the shareholder(s) individually or collectively holding 10% or more of the voting shares of the Company;

v. when the Board considers it is necessary;

vi. when the audit committee proposes to convene;

vii. other circumstances as stipulated by the laws, administrative regulations departmental rules or the Articles of Association.

Convening of General Meetings

General meetings shall be called by the Board in accordance with the laws.

Approved by more than half of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to a proposal by an independent non-executive director to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made; where the Board disagrees to convene the extraordinary general meeting, it shall give the reasons and make an announcement.

The audit committee shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made, and the changes made to the original proposal in the notice shall be approved by the audit committee.

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of such proposal, the Board will be deemed as not being able to perform or not to perform its duty to convene a general meeting, and the audit committee may convene and preside over such meeting on their own.

The shareholder(s) severally or jointly holding 10% or more of the voting shares of the Company shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice shall be issued within 5 days after the resolution of the Board is made, and the changes made to the original proposal in the notice shall be approved by the relevant shareholders.

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon receipt of such proposal, the shareholder(s) individually or collectively holding 10% or more of the voting shares of the Company shall have the right to propose to the audit committee to convene an extraordinary general meeting and such proposal shall be made to the audit committee in writing.

Where the audit committee agrees to convene the extraordinary general meeting, a convening notice shall be issued within 5 days upon receipt of the proposal, and the changes made to the original proposal in the notice shall be approved by the relevant shareholders.

Where the audit committee fails to issue the notice of the general meeting within the prescribed period, the audit committee will be deemed as not being able to convene or not to preside over the general meeting, and the shareholder(s) individually or collectively holding 10% or more of the voting shares of the Company for 90 or more consecutive days may convene and preside over such meeting on their own.

Notices of General Meetings

The convener will notify each shareholder in writing (including by announcement) at least 21 days (excluding the day of the meeting) prior to the annual general meeting. For an extraordinary general meeting, shareholders will be notified by announcement at least 15 days (excluding the day of the meeting) prior to the meeting.

Proposals of General Meetings

The Board, the supervisory committee, and shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company shall have the right to make a proposal to the Company at a general meeting of the Company.

The shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company may make provisional proposals in writing to the convener of a general meeting 10 days prior to such meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such provisional proposals within 2 days upon receipt thereof. However, this shall not apply if the provisional proposal violates laws, administrative regulations or the Articles of Association, or if it does not fall within the scope of authority of the general meeting.

Except as provided by the preceding paragraph and laws, administrative regulations, the convener of a general meeting shall not amend the proposals already specified in the notice of the general meeting or add new proposals subsequent to the issue of the notice of the general meeting.

Proposals which are not specified in the notice of the general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the general meeting.

Holding of General Meetings

All shareholders or their proxies recorded in the register on the record date shall have the right to attend general meetings, and they are entitled to speak and vote at general meetings in accordance with the relevant laws, regulations and the Articles of Association. Shareholders may attend general meetings in person or appoint their proxies to attend and vote on their behalf.

Individual shareholders attending the meeting in person shall present his/her identification card or other valid documents or proof of his/her identification and certificate of shareholding. In the case of attendance by proxies, they shall present his/her valid identification documents and the proxy forms from the shareholders.

A corporate shareholder shall be represented by its legal representative or an agent entrusted by the legal representative to attend the meeting and vote at the meeting. When the legal representative attends the meeting, he/she shall present his/her identity card, a valid certificate proving his/her qualification as the legal representative; when an agent is entrusted to attend the meeting, the agent shall present his/her identity card, the written power of attorney lawfully issued by the legal representative of the corporate shareholder.

Shareholders that do not have the status of an independent legal person shall be represented at the meeting by their person-in-charge (or in the case of a partnership, the executive partner or general partner, hereinafter the same) or a proxy entrusted by such person-in-charge. Where the person-in-charge attends the meeting, he/she shall present his/her identity card and valid proof evidencing his/her qualification as the person-in-charge; where a proxy is entrusted to attend the meeting, the proxy shall present his/her identity card and a written power of attorney lawfully issued by the person-in-charge of the shareholder.

Voting and Resolutions at General Meetings

The resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions of a general meeting shall be approved by more than one half of the voting rights held by the shareholders (including proxies thereof) present at the general meeting. special resolutions of a general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders (including proxies thereof) present at the general meeting.

The following matters shall be approved by ordinary resolutions at the general meeting:

i. work reports of the Board;

ii. profit distribution plans and loss recovery plans drafted by the Board;

iii. appointment or dismissal of the members of the Board, and determination of the remuneration of the Board;

iv. annual reports of the Company;

v. matters other than those approved by special resolution as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the general meeting:

i. the increase or decrease of the registered capital of the Company;

ii. division, spin-off, merger, termination, dissolution, liquidation and change in the form of the Company;

iii. amendments to the Articles of Association;

iv. purchase and disposal of substantial assets by the Company within one year, or a guaranteed amount exceeding 30% of the latest audited total assets of the Company;

v. equity incentive plan;

vi. other matters as required by the laws, administrative regulations or the Articles of Association, and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

Where matters relating to connected transactions are considered at the general meeting, the connected shareholders and their associates shall not be involved in voting, and the voting shares they represent shall not be counted in the total number of valid voting rights. The voting particulars of the non-connected persons shall be fully disclosed in the announcement on the resolution of the general meeting.

DIRECTORS AND THE BOARD

Directors

Directors of the Company shall be natural persons. The following person may not serve as a director of the Company:

i. a person without capacity or with limited capacity for civil conduct;

ii. a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, where less than five years have elapsed since the sentence was served, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served, or where less than 2 years have elapsed since the date of expiration of the probationary period if such person is sentenced to probation;

iii. a person who served as a director, or factory director or general manager, and who assumed personal liability for the bankruptcy liquidation of a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

iv. a person who served as a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law, and who assumed personal liability for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;

v. a person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the People's Court;

vi. a person who is banned by the CSRC from entering into the securities market for a period which has not yet expired;

vii. persons who have been publicly identified by a stock exchange as unsuitable to serve as directors, senior management members, etc. of a listed company, where such identification is still effective (or "**where the relevant period has not yet expired**");

viii. other contents required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed.

Directors shall be elected or replaced at a general meeting and he/she may be dismissed at a general meeting before the expiry of his/her term of office. Directors serve a term of office of 3 years for each session. A director may be re-elected and reappointed upon the expiry of his/her term of office.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information no later than 2 trading days. If the resignation of a Director results in the number of board members falling below the statutory minimum, or where the resignation of an independent non-executive director results in the proportion of independent non-executive directors on the Board or its special committees failing to comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, or results in the absence of an accounting professional among the independent non-executive directors, then before the newly elected director takes office, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Duties of Directors

Directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following duties of loyalty to the Company:

i. not to take advantage of his/her position to accept bribes or other illegal income;

ii. not to misappropriate the Company's property or misappropriate Company funds;

iii. not to deposit the Company's funds in accounts opened in his/her own name or in the name of any other individual;

iv. not to enter into contracts or conduct transactions with the Company either directly or indirectly, unless he/she has reported to the Board of Directors or the general meeting and obtained approval by a resolution of the Board of Directors or the general meeting in accordance with the provisions of these Articles of Association;

v. not to take advantage of his/her position to seek for himself/herself or others business opportunities that belong to the Company, unless he/she has reported to the Board of Directors or the general meeting and obtained approval by a resolution of the general meeting, or unless the Company cannot utilize such business opportunities according to laws, administrative regulations or these Articles of Association;

vi. not to engage in, for himself/herself or for others, any business that is similar to that of the Company, unless he/she has reported to the Board of Directors or the general meeting and obtained approval by a resolution of the general meeting;

vii. not to accept and keep for himself/herself commissions resulting from transactions between others and the Company;

viii. not to disclose the secrets of the Company without authorization;

ix. not to use his/her connected (related) relationship to damage the interests of the Company;

x. other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

Directors shall comply with laws, administrative regulations and these Articles of Association, and shall owe a duty of diligence to the Company:

i. to exercise the rights granted by the Company in a prudent, serious and diligent manner to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that its commercial activities do not exceed the scope of business stipulated in the business license;

ii. to treat all shareholders fairly;

iii. to keep abreast of the operation and management status of the Company in a timely manner;

iv. to sign written confirmation opinions on the periodic reports of the Company, and ensure that the information disclosed by the Company is truthful, accurate and complete;

v. to truthfully provide relevant information and materials to the Audit Committee, and not to obstruct the Audit Committee from exercising its powers;

vi. other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and these Articles of Association.

The Board

The Company shall set up a board of directors, which shall be accountable to the general meeting. There shall be one Chairman and there may be a Vice Chairman. The Chairman and the Vice Chairman (if any) shall be elected by the Board of Directors by more than half of all directors. The members of the Board of Directors of the Company shall include no less than three independent non-executive directors and no less than one employee representative.

The Board exercises the following functions and powers:

i. to convene general meetings and report on work to the general meeting;

ii. to implement the resolutions of the general meeting;

iii. to determine the business plans and investment plans of the Company;

iv. to formulate the profit distribution plans and loss recovery plans of the Company;

v. to formulate plans for increasing or decreasing the registered capital of the Company, the issuance of bonds or other securities, as well as the listing plan of the Company;

vi. to formulate plans for major acquisitions, purchases of the company's own shares, merger, division, dissolution or change of form of the Company;

vii. to decide on matters such as the Company's external investment, acquisition and sale of assets, asset mortgage, external guarantees, entrusted wealth management, connected (related) transactions, and external donations within the scope authorized by the general meeting;

viii. to decide on the setup of the internal management organization of the Company;

ix. to decide on the appointment or dismissal of the Company's Manager, Secretary to the Board and other senior management personnel, and decide on matters relating to their remuneration and rewards and punishments; to decide on the appointment or dismissal of the Company's Deputy Manager, person in charge of finance and other senior management personnel based on the nomination of the Manager, and decide on matters relating to their remuneration and rewards and punishments;

x. to set the basic management systems of the Company;

xi. formulate the plan for the amendment of the company's Articles of Association ;

xii. manage the company's information disclosure matters;

xiii. propose to the shareholders' meeting to hire or replace the accounting firm that audits the company;

xiv. listen to the work report of the company's manager and inspect the manager's work;

xv. other functions and powers authorized by the laws, administrative regulations, departmental rules, the Articles of Association or granted by the general meeting.

The Board of Directors of the Company shall establish other special committees such as the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and Development Committee, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The members of the special committees shall be composed entirely of directors. In the Nomination Committee and the Remuneration and Appraisal Committee, independent non-executive directors shall constitute the majority and serve as conveners. The working rules of the special committees shall be formulated by the Board of Directors.

The chairman of the Board exercises the following functions and powers:

i. to preside over general meetings, and preside over the Board meetings;

ii. to supervise and inspect the implementation of the resolutions of the Board;

iii. other functions and powers that the Board prudently grant to the chairman of the Board.

Board meetings shall be classified into regular meetings and extraordinary meetings. Shareholders representing one-tenth or more of the voting rights, one-third or more of the directors, or the Audit Committee may propose to convene an interim meeting of the Board of Directors. The Chairman shall convene and preside over a Board meeting within 10 days after receiving such proposal.

A Board meeting may be held only when a majority of the directors are present at the meeting. A resolution of the Board meeting must be approved with affirmative votes of a majority of all directors.

SENIOR MANAGEMENT

The Company shall have one general manager, several vice- managers, one chief financial officer and one secretary to the Board of whom shall be appointed or dismissed by the Board.

Each term of office of the general manager is 3 years and is renewable upon re-election of the Board.

The general manager is accountable to the Board and exercises the following functions and powers:

i. to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board and report to the Board on work;

ii. to organize the implementation of the annual operation plans and investment schemes of the Company;

iii. to formulate the structure scheme of the internal management department of the Company;

iv. to formulate the basic management system of the company;

v. to formulate the specific rules and regulations of the Company;

vi. to propose to the Board the appointment or dismissal of the chief financial officer of the Company and other senior management;

vii. to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the Board;

viii. other functions and powers authorized by the Articles of Association or the Board.

AUDIT COMMITTEE

The Board of Directors shall establish an Audit Committee, which shall exercise the functions and powers of the supervisory board as stipulated under the PRC Company Law.

The Audit Committee shall consist of three (3) members. Among them, two (2) shall be Independent Directors, and the convener shall be an accounting professional selected from among the Independent Directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing internal and external audit activities, and overseeing internal control.

The following matters shall be submitted to the Board of Directors for consideration only after receiving the approval of more than half of all members of the Audit Committee:

(i) disclosure of financial information in financial reports and periodic reports, and reports on the evaluation of internal controls;

(ii) engagement or dismissal of the accounting firm responsible for the Company's audit;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes in accounting policies or accounting estimates, or correction of material accounting errors, except where such changes result from amendments to accounting standards; and

(v) other matters as prescribed by laws, administrative regulations, the securities regulatory rules where the Company's shares are listed, and the Articles of Association.

Resolutions of the Audit Committee shall be adopted by a majority vote of its members.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirements of the relevant authorities of China.

The Company shall prepare financial reports at the end of each accounting year, which shall be audited by an accounting firm in accordance with the law.

The Company adopts the Gregorian calendar year system for its accounting year, i.e., from January 1 to December 31 of each Gregorian calendar year constitutes one accounting year.

The aforesaid annual reports and interim reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and departmental rules.

The Company shall prepare, publish and distribute annual reports and interim reports in accordance with the provisions of relevant laws and regulations and the Listing Rules.

The financial reports of the Company shall be kept at the Company for inspection by shareholders at least 21 days before the annual general meeting is held. Every shareholder of the Company is entitled to receive the financial reports mentioned in this Chapter.

The Company shall send the aforesaid reports by prepaid mail to each holder of overseas-listed foreign shares at least 21 days before the annual general meeting is held. The address of the recipient shall be the address registered in the register of shareholders. Subject to compliance with laws, administrative regulations and the listing rules of the place where the Company is **[REDACTED]**, the Company may do so in the form of an announcement (including publication via the Company's website).

The Company shall not establish any other accounting books except for the statutory ones. No assets of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of the statutory reserve funds of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from after-tax profit, the Company may, subject to a resolution of the general meeting, withdraw the discretionary reserve funds from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

The shares of the Company held by it are not entitled to any profit distribution.

Reserve funds of the Company shall be used for making up for the losses, business expansion for operation or registered capital replenishment of the Company. When using the reserve funds to make up for the losses of the Company, the discretionary reserve funds and the statutory reserve funds shall be used first; if the losses still cannot be made up, the capital reserve funds can be used in accordance with the requirements.

The Company must appoint one or more receiving agents in Hong Kong for its H-share shareholders. The receiving agents shall collect and hold the dividends and other amounts payable by the Company in respect of the H-shares on behalf of the relevant H-share shareholders until payment is made to such H-share shareholders. The receiving agents appointed by the Company shall meet the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Engagement of Accounting Firms

The Company shall engage an accounting firm which complies with the laws and regulations to conduct accounting statements audit, net assets verification and other relevant consultancy services, which is subject to renewal.

The appointment of any accounting firm of the Company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm.

When a general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify the creditors within 10 days from the date of the resolution to merge and publish an announcement within 30 days in accordance with the requirements. The creditors may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

In the event of a division, balance sheets and inventories of assets shall be prepared. The Company shall notify the creditors within 10 days from the date of the resolution to divide and publish an announcement within 30 days in accordance with the requirements.

The Company shall prepare balance sheets and inventories of assets when it needs to reduce its registered capital.

The Company shall notify the creditors within 10 days from the date of the resolution to reduce its registered capital and publish an announcement within 30 days in accordance with the requirements. The creditors may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

Where a merger or division of the Company involves any changes to any registration, an application for modification of registration shall be made to the Company's registration authority pursuant to the laws; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws; where a new company is established, the Company shall apply for registration thereof in accordance with the laws.

Where the Company increases or reduces its registered capital, an application for modification of registration shall be made to the Company's registration authority pursuant to the laws.

Dissolution and Liquidation

In any of the following circumstances, the Company shall be dissolved:

i. the term of business operation set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;

ii. a resolution for dissolution is passed at a general meeting;

iii. dissolution is necessary due to a merger or division of the Company;

iv. the business license is revoked, the Company is ordered to close or is eliminated according to the laws;

v. the Company has experienced material difficulties in operation and management and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

The liquidation group shall be composed of directors, unless otherwise provided in these Articles of Association or unless the general meeting resolves to select other persons. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation.

The liquidation committee exercises the following functions and powers during the liquidation period:

i. to sort out the assets of the Company and prepare balance sheets and inventories of assets respectively;

ii. to notify creditors by notice or public announcements;

iii. to deal with and settle any outstanding businesses of the Company;

iv. to pay outstanding taxes as well as taxes arising in the course of liquidation;

v. to settle claims and debts;

vi. to allocate the remaining assets of the Company after the repayment of debts;

vii. to represent the Company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and publish an announcement within 60 days in accordance with the requirements. The creditors shall declare their claims to the liquidation committee within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

After sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee shall formulate a liquidation plan and present it to the general meeting or to the People's Court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the debts of the Company shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company shall continue to exist but shall not commence any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before repayment of its debts in full in accordance with the preceding paragraph.

If, after sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee discovers that the assets of the Company are insufficient to repay its debts in full, it shall apply to the People's Court for bankruptcy in accordance with the laws.

After the People's Court has accepted that the Company is declared bankrupt, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit to the general meeting or the People's Court for confirmation. The liquidation committee shall submit the foregoing documents to the Company's registration authority and apply for deregistration of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

i. after amendment has been made to the Company Law or relevant laws, administrative regulation or the securities regulatory rules of the place where the Company's shares are **[REDACTED]**, the contents of the Articles of Association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are **[REDACTED]**;

ii. the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;

iii. the general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association approved by the general meetings are subject to the examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration of the Company, the Company shall register relevant changes according to the laws.

NOTICES

The notices of the Company may be served as follows:

i. delivered in person;

ii. sent by mail;

iii. made by announcement;

iv. other forms stipulated by these Articles of Association by other means as specified by the securities regulatory authorities of the place where the Company's shares are **[REDACTED]** or the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was established as a limited liability company in the PRC on August 18, 2016 and was converted into a joint stock limited company on December 20, 2022 under the laws of the PRC. As of the Latest Practicable Date, the share capital of our Company is RMB232,629,206, divided into 232,629,206 Shares with a par value of RMB1.0 each.

Our place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on December 19, 2025. Ms. Ye Jiahong has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in the section headed "Regulatory Overview" and Appendix III to this document, respectively.

2. Changes in share capital of our Company

There has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

3. Changes in share capital of our subsidiaries

A summary of the corporate information and particulars of our subsidiaries as at June 30, 2026 are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document.

On July 2, 2025, the registered capital of Shengeng Tongbo increased from RMB476,800,000 to RMB541,818,181.82.

On August 5, 2026, we established our wholly owned subsidiary, Ji'an Tongbo, with a registered of RMB140,000,000.

Save as disclosed above, as of the Latest Practicable Date, there has been no alteration in the share capital of any of our subsidiaries of our Company within the two years immediately preceding the date of this document.

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Shareholders held on October 30, 2025, the following resolutions, among others, were passed by our Shareholders:

(a) the issuance by our Company of H Shares of nominal value of RMB1.0 each and such **[REDACTED]** Shares be **[REDACTED]** on the **[REDACTED]**;

(b) the number of H Shares to be issued shall not be more than **[REDACTED]**% of the total issued share capital of our Company as enlarged by the **[REDACTED]**, and the grant to the **[REDACTED]** (or their representatives) of the **[REDACTED]** of not more than **[REDACTED]**% of the number of **[REDACTED]** issued pursuant to the **[REDACTED]**;

(c) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and **[REDACTED]** of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contract (not being contracts entered into in the ordinary course of business) was entered into by our Company or any member of our Group within two years preceding the date of this document and are or may be material:

(a) the **[REDACTED]**.

2. Intellectual property rights

Save as disclosed below, as of the Latest Practicable Date, there are no other intellectual property rights which are or may be material in relation to our business.

(a) Trademarks

(i) Registered trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material or may be material to our business:

No.	Owner	Trademark	Registration number	Class	Date of registration	Place of registration
1	Our Company		30007287	Class 6	April 3, 2018	PRC
2	Our Company		30007286	Class 6	April 3, 2018	PRC
3	Our Company		30007285	Class 6	April 3, 2018	PRC
4	Our Company		307046091	Class 6	September 29, 2025	Hong Kong
5	Our Company		307046145	Class 6	September 29, 2025	Hong Kong
6	Our Company		307046118	Class 6	September 29, 2025	Hong Kong
7	Our Company		307046136	Class 6	September 29, 2025	Hong Kong

(b) Patents

(i) Registered patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
1	Our Company	A preparation method of electrolytic copper foil, electrolytic copper foil and lithium-ion battery anode electrode material (電解銅箔的製備方法、電解銅箔及鋰離子電池負極材料)	2023110751449	Invention	August 24, 2023	PRC
2	Our Company	A preparation method of copper sulfate solution (硫酸銅溶液的製備方法)	202311075752X	Invention	August 24, 2023	PRC
3	Our Company	A copper foil thickness measuring device (一種銅箔測厚設備)	2022109234112	Invention	August 2, 2022	PRC
4	Our Company	A copper foil production device (一種銅箔生產裝置)	2022108796536	Invention	July 25, 2022	PRC
5	Our Company	A copper foil stress-relieving winding device and method (一種銅箔消應力收卷裝置及方法)	2022108709398	Invention	July 22, 2022	PRC
6	Our Company	A copper foil warpage heat treatment device (一種銅箔翹曲熱處理裝置)	2022107010032	Invention	June 21, 2022	PRC
7	Our Company	A sewage treatment device for the production of electrolytic copper foil (一種電解銅箔生產的污水處理裝置)	2022106948036	Invention	June 20, 2022	PRC

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
8	Our Company	A lightweight electrode copper foil production device (一種輕型電極銅箔生產裝置)	2022103913181	Invention	April 14, 2022	PRC
9	Our Company	A copper foil production transfer roller device (一種銅箔生產轉運輥裝置)	2022103128213	Invention	March 28, 2022	PRC
10	Our Company	A copper foil winding device (一種銅箔收卷裝置)	2022102835630	Invention	March 22, 2022	PRC
11	Energy Research Institute of Jiangxi Academy of Sciences (江西省科學院能源研究所) and Our Company	An additive used for preparing electrolytic copper foil and a method for preparing electrolytic copper foil (一種用於製備電解銅箔的添加劑及電解銅箔的製備方法)	2021114579414	Invention	December 1, 2021	PRC
12	Our Company	A thickness measuring device used for copper foil production (一種用於銅箔生產的測厚裝置)	2021110204293	Invention	September 1, 2021	PRC
13	Our Company	A copper dissolution device for copper foil production (一種銅箔生產用溶銅裝置)	2021109441300	Invention	August 17, 2021	PRC
14	Our Company	Surface pre-treatment device for copper foil production (銅箔生產用表面預處理裝置)	2021109263981	Invention	August 12, 2021	PRC
15	Our Company	A cutting device used for copper foil production (一種用於銅箔生產的分切裝置)	2021109182927	Invention	August 11, 2021	PRC
16	Our Company	A shearing device used for processing copper foil (一種用於加工銅箔的分剪裝置)	2021215096498	Utility Model	July 5, 2021	PRC
17	Our Company	A dust-proof device for the copper foil production system of electrolytic copper foil manufacturing (一種電解銅箔生箔系統防塵裝置)	2021214770943	Utility Model	July 1, 2021	PRC
18	Our Company	A fixed tooling device for the welding of copper foil soft connections (一種用於銅箔軟連接焊接的固定工裝)	2021214245141	Utility Model	June 25, 2021	PRC
19	Our Company	A unwinding and output mechanism for rolled copper foil (一種用於卷裝銅箔的放卷輸出機構)	2021214129206	Utility Model	June 24, 2021	PRC
20	Our Company	A feeding device for copper foil production and processing (一種銅箔生產加工用送料裝置)	2021213958349	Utility Model	June 23, 2021	PRC
21	Our Company	A winding device for producing copper foil tape (一種銅箔膠帶生產用捲繞裝置)	202121381278X	Utility Model	June 22, 2021	PRC
22	Our Company	A jig fixture for detecting the warpage of copper foil (一種檢測銅箔翹曲度的工裝夾具)	2021213761612	Utility Model	June 21, 2021	PRC
23	Our Company	A stable transmission device for copper foil production (一種銅箔生產用穩定傳輸裝置)	202121290029X	Utility Model	June 10, 2021	PRC
24	Our Company	An environmentally friendly surface treatment equipment for copper foil production (一種銅箔生產用環保型表面處理設備)	2021212781407	Utility Model	June 8, 2021	PRC
25	Our Company	A positioning and clamping device for a copper foil cutting machine (一種銅箔裁剪機的定位夾緊裝置)	2021212692070	Utility Model	June 8, 2021	PRC
26	Our Company	A continuous and highly efficient roll-conveying device for copper foil processing and production (一種銅箔加工生產連續高效卷收裝置)	2021212520407	Utility Model	June 7, 2021	PRC
27	Our Company	A degreasing and drying device for manufacturing electrolytic copper foil (一種電解銅箔製造用脫脂乾燥裝置)	2021211672864	Utility Model	May 28, 2021	PRC
28	Our Company	A cutting device for manufacturing electrolytic copper foil (一種電解銅箔製造用裁斷裝置)	2021211672402	Utility Model	May 28, 2021	PRC
29	Our Company	An adjustable shearing machine for copper foil production (一種銅箔生產用可調節分切機)	202120503954X	Utility Model	March 10, 2021	PRC
30	Our Company	A water washing device for the cathode rollers of a sheet forming machine (一種生箔機陰極輥的水洗裝置)	2021204984077	Utility Model	March 9, 2021	PRC

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
31	Our Company	A processing device for surface treatment of copper foil (一種銅箔表面處理用處理裝置)	2021204929050	Utility Model	March 9, 2021	PRC
32	Our Company	A circulating pipeline auxiliary device for copper extraction production (一種溶銅生產用循環管道輔助裝置)	2021204860233	Utility Model	March 8, 2021	PRC
33	Our Company	A reverse winding device for a sheet metal forming machine (一種生箔機的反向收卷裝置)	2021204842447	Utility Model	March 8, 2021	PRC
34	Our Company	An environmentally friendly wastewater treatment facility (一種環保型廢水處理機構)	2021204736062	Utility Model	March 5, 2021	PRC
35	Our Company	A copper foil production equipment that effectively enhances the uniform density of the copper foil surface (一種有效提升銅箔面均勻密度的銅箔生產設備)	2021102426456	Invention	March 5, 2021	PRC
36	Our Company	A new type of highly efficient copper dissolving device (一種新型高效溶銅裝置)	2021204542052	Utility Model	March 2, 2021	PRC
37	Our Company	A water washing device for an electrolytic copper foil production machine (一種電解銅箔生箔機的水洗裝置)	2021102252280	Invention	March 1, 2021	PRC
38	Our Company	A filtration device for a copper sulfate solution (一種硫酸銅溶液的過濾裝置)	2021204458175	Utility Model	March 1, 2021	PRC
39	Our Company	An environmentally friendly copper foil copper dissolution device (一種環保銅箔溶銅裝置)	2021204316244	Utility Model	February 26, 2021	PRC
40	Our Company	An electrolytic copper foil surface treatment device (一種電解銅箔表面處理裝置)	2021204316441	Utility Model	February 26, 2021	PRC
41	Our Company	A device for producing electrolytic copper foil with controllable width (一種幅寬可控的電解銅箔生箔裝置)	2020217714777	Utility Model	August 24, 2020	PRC
42	Our Company	A packaging structure for preventing the oxidation of copper foil surfaces (一種防止銅箔斷面氧化的包裝結構)	2020217548777	Utility Model	August 21, 2020	PRC
43	Our Company	A copper foil drying device with controllable wind source temperature (一種風源溫度可控的銅箔風乾裝置)	2020217034970	Utility Model	August 17, 2020	PRC
44	Our Company	A drying device for the copper foil on the cathode roller (一種對陰極輥上銅箔的風乾裝置)	2020216895807	Utility Model	August 14, 2020	PRC
45	Our Company	A reel and flattening device for a copper foil forming machine (一種銅箔生箔機收卷展平裝置)	2020215167855	Utility Model	July 28, 2020	PRC
46	Our Company	A tension-adjustable copper foil winding machine (一種張力可調節的銅箔捲繞機)	2020203938363	Utility Model	March 25, 2020	PRC
47	Our Company	A slitting machine for copper foil production (一種銅箔生產用分切機)	202020371784X	Utility Model	March 23, 2020	PRC
48	Our Company	A copper foil polishing machine (一種銅箔拋光機)	2020203579271	Utility Model	March 20, 2020	PRC
49	Our Company	A precision copper foil cutting machine (一種銅箔精密切割設備)	2020203465317	Utility Model	March 19, 2020	PRC
50	Our Company	A device for roughening the surface of copper foil (一種銅箔表面粗化處理裝置)	2020203380785	Utility Model	March 18, 2020	PRC
51	Our Company	A cathode roller for electrolytic copper foil (一種電解銅箔用陰極輥)	2020201913446	Utility Model	February 21, 2020	PRC
52	Our Company	A winding device for processing copper foil strips (一種銅箔帶加工用繞卷裝置)	2020201873862	Utility Model	February 20, 2020	PRC

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
53	Our Company	A copper dissolution equipment used for the production and processing of copper foil for lithium batteries (一種鋰電池用銅箔生產加工用的溶銅設備)	2020201831319	Utility Model	February 19, 2020	PRC
54	Our Company	An efficient grinding device for electrolytic copper foil cathode rolls (一種電解銅箔陰極輥高效研磨裝置)	2020201577962	Utility Model	February 10, 2020	PRC
55	Our Company	A foil electrodeposition machine for processing electrolytic copper foil (一種電解銅箔加工用生箔機)	2020200480847	Utility Model	January 10, 2020	PRC
56	Our Company	An integrated equipment for processing and cutting raw copper foil (一種銅箔加工用生箔分切一體設備)	2019221402864	Utility Model	December 4, 2019	PRC
57	Our Company	A surface treatment device for copper foil processing (一種銅箔加工用表面處理裝置)	2019221278778	Utility Model	December 3, 2019	PRC
58	Our Company	An equipment for harmless treatment of acid mist during the production process of copper foil (一種銅箔生產過程中的酸霧無害化處理設備)	2019221160348	Utility Model	December 2, 2019	PRC
59	Our Company	A copper dissolution device used for copper foil production (一種銅箔生產用的溶銅裝置)	2019220842922	Utility Model	November 28, 2019	PRC
60	Our Company	A cathode roller grinding machine for copper foil production (一種銅箔生產用陰極輥研磨機)	2019220754692	Utility Model	November 27, 2019	PRC
61	Our Company	A copper foil tension detection device (一種銅箔張力檢測裝置)	2019220453638	Utility Model	November 25, 2019	PRC
62	Our Company	A film coating device for copper foil roll packaging (一種銅箔卷包裝用覆膜裝置)	2019220312771	Utility Model	November 22, 2019	PRC
63	Our Company	A production device for copper foil electrolysis (一種銅箔電解用生產裝置)	2019220225260	Utility Model	November 21, 2019	PRC
64	Our Company	A tunable copper foil winding device (一種可調式銅箔收卷裝置)	2019220076514	Utility Model	November 20, 2019	PRC
65	Our Company	A new type of highly efficient copper foil cutting device (一種新型高效率銅箔剪裁裝置)	201921998674X	Utility Model	November 19, 2019	PRC
66	Our Company	A new type of device for recycling and reusing the leftover edges of electrolytic copper foil (一種新型電解銅箔邊角料回收再利用裝置)	2019219835059	Utility Model	November 18, 2019	PRC
67	Our Company	A sheet metal machine with drying function (一種具有烘乾效果的生箔機)	2018220586156	Utility Model	December 10, 2018	PRC
68	Our Company	A surface treatment equipment for copper foil used in lithium batteries (一種鋰電池用銅箔的表面處理設備)	201822047047X	Utility Model	December 7, 2018	PRC
69	Our Company	An electrolytic copper foil production machine (一種電解銅箔生箔機)	2018220367341	Utility Model	December 6, 2018	PRC
70	Our Company	A punching device for copper foil used in lithium batteries (一種鋰電池用銅箔的打孔裝置)	2018220264434	Utility Model	December 5, 2018	PRC
71	Our Company	A cutting device for producing copper foil used in lithium batteries (一種鋰電池用銅箔生產用的分切裝置)	2018220185004	Utility Model	December 4, 2018	PRC
72	Our Company	A drying device used in the production process of copper foil for lithium batteries (一種鋰電池用銅箔生產過程中的烘乾裝置)	2018220185112	Utility Model	December 4, 2018	PRC
73	Our Company	A straightening and rolling roller for producing copper foil used in lithium batteries (一種鋰電池用銅箔生產用的拉直收卷輥)	2018219963527	Utility Model	November 30, 2018	PRC
74	Our Company	A wastewater treatment device for the copper foil production process (一種銅箔生產過程中的廢水處理設備)	2018219693212	Utility Model	November 28, 2018	PRC

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
75	Our Company	A ventilation device used in the production process of copper foil (一種銅箔生產過程中的通風設備)	2018219574444	Utility Model	November 27, 2018	PRC
76	Our Company	A copper foil surface degreasing, cleaning and drying equipment (一種銅箔表面除油清洗乾燥設備)	2018219467847	Utility Model	November 26, 2018	PRC
77	Our Company	An efficient copper plating device for the production process of copper foil (一種銅箔生產加工過程中高效鍍銅裝置)	2018219372673	Utility Model	November 23, 2018	PRC
78	Our Company	A continuous winding equipment for copper foil production (一種銅箔生產用連續收卷設備)	2018219259191	Utility Model	November 22, 2018	PRC
79	Our Company	A waste gas treatment device for copper foil production and processing (一種銅箔生產加工廢氣處理裝置)	2018219210039	Utility Model	November 21, 2018	PRC
80	Our Company	A copper foil cutting device (一種銅箔裁切裝置)	2018219165762	Utility Model	November 21, 2018	PRC
81	Our Company	A method for preparing ultra-thin electrolytic copper foil with high antioxidant properties (一種高抗氧化性超薄電解銅箔製備方法)	2023109317961	Invention	July 27, 2023	PRC
82	Our Company	An additive and method for preparing ultra-thin electrolytic copper foil with high tensile strength and high elongation (一種製備高抗拉高延伸超薄電解銅箔的添加劑及方法)	2023109318057	Invention	July 27, 2023	PRC
83	Shengeng Tongbo	An efficient cutting equipment for copper foil production and processing (一種銅箔生產加工用高效分切設備)	2021212126699	Utility Model	January 11, 2022	PRC
84	Shengeng Tongbo	Copper foil production equipment (銅箔生產設備)	2021110303960	Invention	September 3, 2021	PRC
85	Shengeng Tongbo	The reel-up device used for copper foil production (用於銅箔生產的收卷裝置)	2021109082454	Invention	August 9, 2021	PRC
86	Shengeng Tongbo	An intelligent liquid level monitoring device for copper foil electrolytic cells (一種銅箔電解池液面智能監測裝置)	2021108292065	Invention	July 22, 2021	PRC
87	Shengeng Tongbo	A multifunctional storage and transportation box for copper foil production (一種銅箔生產用多功能儲運箱)	2021212520375	Utility Model	June 7, 2021	PRC
88	Shengeng Tongbo	A new type of pure water production device with a novel structure (一種新型結構的純水製備裝置)	2021205047298	Utility Model	March 10, 2021	PRC
89	Shengeng Tongbo	An electrolytic foil production wastewater recycling device for recovering electrolytic foil rinsing water (一種電解生箔的洗箔水回收利用裝置)	2021204763110	Utility Model	March 5, 2021	PRC
90	Shengeng Tongbo	An auxiliary device for producing pure water (一種純水製備用輔助裝置)	2021204586737	Utility Model	March 3, 2021	PRC
91	Shengeng Tongbo	A recyclable copper foil washing device (一種可循環再利用的銅箔水洗裝置)	2021204458442	Utility Model	March 1, 2021	PRC
92	Shengeng Tongbo	A device for removing the surface blemishes on copper foil (一種解決銅箔表面花印的裝置)	2020217715638	Utility Model	August 24, 2020	PRC
93	Shengeng Tongbo	A composite copper foil production equipment and production method (複合銅箔生產裝置及生產方法)	2024103334493	Invention	March 22, 2024	PRC
94	Shengeng Tongbo	A method and device for reducing impurities in electrolyte in copper foil production equipment (基於銅箔生產設備減少電解液雜質的方法及裝置)	202510184970X	Invention	February 19, 2025	PRC
95	Shengeng Tongbo	A control method for the thickness control device of composite copper foil (複合銅箔厚度控制設備的控制方法)	2024119937838	Invention	December 31, 2024	PRC
96	Shengeng Tongbo	A control method for the tension adjustment equipment on the continuous production line of composite copper foil (複合銅箔連續生產線上的張力調節設備的控制方法)	2024119937293	Invention	December 31, 2024	PRC

No.	Owner	patent	Patent number	Type of patent	Application date	Place of registration
97	Our Company and the Jiangxi University of Science and Technology	A multi-walled carbon nanotube additive for double-sided smooth high-strength ultra-thin electrolytic copper foil (一種雙面光滑高強超薄電解銅箔用多壁碳納米管添加劑)	202410347837.7	Innovation	March 26, 2024	PRC
98	Our Company	An ultra-thin lithium battery copper foil with high elongation and its preparation method and application (一種高延伸率的超薄鋰電銅箔及其製備方法與應用)	202511107288.7	Innovation	August 8, 2025	PRC
99	Our Company and the Jiangxi University of Science and Technology	Pure titanium cathode materials with nanocrystals for the production of electrolytic copper foil and their applications (生產電解銅箔用具有納米晶粒的純鈦陰極材料及其應用)	202310747375.3	Innovation	June 25, 2023	PRC
100	Shengeng Tongbo	Integrated production equipment and production method for composite copper foil (複合銅箔一體化生產裝置及生產方法)	202410333651.6	Innovation	March 22, 2024	PRC
101	Shengeng Tongbo	Control method for pressure control equipment with uniform distribution of multi-layer composite copper foil (多層複合銅箔均勻分佈的壓力控制設備的控制方法)	202411993759.4	Innovation	December 31, 2024	PRC

(c) Domain names

As of the Latest Practicable Date, we have registered the following domain name which we consider to be material to our business:

No.	Registered Owner	Domain name	License number	Date of registration
1	Shengeng Tongbo	tongbokj.com	贛ICP備2022002805號-1	August 15, 2024
2	our Company	jxtongbo.com	贛ICP備2026001751號-1	January 28, 2026

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests

Immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), the interests or short positions of our Directors and chief executives in our Shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)			
Name of Shareholder	Nature of Interest	Number of Shares[1]	Approximate percentage of shareholding in the issued share capital of our Company[2]	Number of Shares[1]	Description of Shares	Approximate percentage of shareholding in the [REDACTED] Shares/[REDACTED] Shares[3]	Approximate percentage of shareholding in the total issued share capital of our Company[3]
Mr. Li Xianyang. . .	Beneficial owner[4]	91,545,000	39.3%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest held jointly with other person[4]	73,827,088	31.7%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
Mr. Li Siyang	Beneficial owner[5]	57,375,209	24.7%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest in controlled corporations[5]	16,451,879	7.1%	[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED] Shares	[REDACTED]%	[REDACTED]%
	Interest held jointly with other person[5]	91,545,000	39.3%	[REDACTED]	[REDACTED]Shares	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]Shares	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 232,629,206 Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of **[REDACTED]** Shares (consisting of **[REDACTED]** Shares and **[REDACTED]** Shares) in issue immediately after the completion of the **[REDACTED]** (without taking into account the H Shares which may be issued upon the exercise of the **[REDACTED]**).

(4) As of the Latest Practicable Date, Mr. Li Xianyang is the beneficial owner of 91,545,000 Shares. Also, Mr. Li Xianyang is deemed to be interested in 73,827,088 Shares as a result of being a party acting-in-concert with Mr. Li Siyang and Zhuhai Xinyan pursuant to the Concert Party Agreements.

(5) As of the Latest Practicable Date, Mr. Li Siyang is the beneficial owner of 57,375,209 Shares. Also, (i) Mr. Li Siyang is deemed to be interested in 91,545,000 Shares as a result of being a party acting-in-concert with Mr. Li Xianyang pursuant to the Concert Party Agreements; and (ii) Mr. Li Siyang acts as the general partner of Zhuhai Xinyan (holding 16,451,879 Shares) and is deemed to be interested in such number of Shares held by Zhuhai Xinyan under the SFO.

2. Interests of the substantial Shareholders

For information on the persons who will, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed "Substantial Shareholders" in this document.

3. Particulars of service contracts and letters of appointment

We [have] entered into a service contract or a letter of appointment with each of our Directors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts and letters of appointment comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders' approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the sections headed "Directors and Senior Management" and "Appendix I — Accountants' Report — II. Notes to the historical financial information — 9. Directors' and Supervisors' Remuneration", for the three years ended December 31, 2025 and six months ended June 30, 2026, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

5. Disclaimers

(a) save as disclosed in the section headed "Substantial Shareholders" and this Appendix, none of our Directors or chief executive of our Company has any interests or short positions in the Shares, underlying Shares and/or debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are **[REDACTED]** on the Stock Exchange;

(b) save as disclosed in the section headed "Substantial Shareholders", no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2

and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

(c) Save as disclosed in the section headed "History, Development and Corporate Structure," none of the Directors nor any of the experts referred to in "— D. Other information — 6. Qualification of experts" below in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(d) Save in connection with the **[REDACTED]**, none of the Directors nor any of the experts referred to in "— D. Other information — 6. Qualification of experts" below in this appendix, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.

(e) No cash, securities or other benefit has been paid, **[REDACTED]** or given within the two years preceding the date of this document to any promoter of our Company nor is any such cash securities or benefit intended to be paid, **[REDACTED]** or given on the basis of the **[REDACTED]** or related transactions as mentioned.

(f) Save as disclosed in this document, none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group in each year or period of the Track Record Period.

D. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any member of our Group.

2. Litigation

Saved for disclosed in "Business — Compliance and Legal Proceedings" in this document, as of the Latest Practicable Date, and so far as our Directors are aware, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. Sole Sponsor

The Sole Sponsor has made an **[REDACTED]** on behalf of our Company to the **[REDACTED]** for **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares of our Company. All necessary arrangements have been made enabling the H Shares to be admitted into **[REDACTED]**.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US$420,000 to act as the sponsor of our Company in connection with the proposed **[REDACTED]** on the Hong Kong Stock Exchange.

4. Bilingual document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

5. Binding effect

This document shall have effect, if an application is made pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Qualification of experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this document are as follows:

Name	Qualifications
Sinolink Securities (Hong Kong) Company Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities as defined under the SFO
DeHeng Law Offices	Legal advisor to our Company as to PRC laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

7. Consent of experts

Each of the experts as referred to in "— D. Other information — 6. Qualification of experts" above in this appendix has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and references to their names included in the form and context in which it respectively appears.

8. Compliance Advisor

We have appointed Innovax Capital Limited as our compliance advisor upon the **[REDACTED]** in compliance with Rule 3A.19 of the Listing Rules.

9. Taxation of holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged to each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the H Shares being sold or transferred.

(2) Consultation with professional advisers

Potential investors in the **[REDACTED]** are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or **[REDACTED]** in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, or any other person or party involved in the **[REDACTED]** accepts responsibility for any tax effects on, or liabilities of, any person, resulting from the **[REDACTED]**, purchase, holding or disposal of, **[REDACTED]** in or the exercise of any rights in relation to our **[REDACTED]** Shares.

10. No material adverse change

Our Directors confirm that, save as disclosed in this document, there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2026, being the date of the latest consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document.

11. Promoters

The promoters of our Company are:

No.	Name
1.	Mr. Li Xianyang
2.	Mr. Li Siyang
3.	Zhuhai Xinyan
4.	Tong Chuang
5.	Tong Xin
6.	Tong De
7.	Yibin Chendao
8.	BYD
9.	Xiamen Huiyou
10. . . .	Jinhua Jinkai
11. . . .	Huiyou Venture
12. . . .	Thriving Capital
13. . . .	Chuangqi Kaiying
14. . . .	Fuzhou Gaoxing
15. . . .	Shenzhen Leijing

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, **[REDACTED]** or given, or is proposed to be paid, **[REDACTED]** or given to the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

12. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

13. Miscellaneous

Save as disclosed in this document:

(a) within the two years preceding the date of this document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any Shares of our Company;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently **[REDACTED]** on or **[REDACTED]** in on any stock exchange or trading system, and no such **[REDACTED]** or permission to **[REDACTED]** on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;

(j) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(k) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

A. DOCUMENTS DELIVERED TO THE REGISTER OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further information about our business — 1. Summary of material contracts" in this document; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — D. Other information — 7. Consent of experts" in this document; and

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.jxtongbo.com** up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the [three financial years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026];

(d) the report on **[REDACTED]** financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this document;

(e) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further information about our business — 1. Summary of material contracts" in this document;

(f) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — C. Further Information about our Directors, senior management and substantial Shareholders — 3. Particulars of service contracts and letters of appointment" in this document;

(g) the written consents referred to in "Appendix IV — Statutory and General Information — D. Other information — 7. Consent of experts" in this document;

(h) the PRC legal opinion issued by DeHeng Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests in the PRC of our Group;

(i) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.; and

(j) the PRC Company Law, the PRC Securities Law, and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.