



SHUANGDENG GROUP CO., LTD. 雙登集團股份有限公司

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

Stock Code: 06960

Annual
Report
2025



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49.59

110



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Corporate Information



Board of Directors

Executive Directors

Dr. Yang Rui (*Chairman of the Board,
Executive Director and Chief Executive Office*)

Dr. Yang Baofeng

Ms. He Rong

Non-Executive Director

Mr. Qian Shan'gao

Independent Non-Executive Directors

Dr. Yin Junming

Dr. Wang Jin

Dr. Wang Xi

Audit Committee

Dr. Yin Junming (*Chairman*)

Mr. Qian Shan'gao

Dr. Wang Jin

Remuneration Committee

Dr. Wang Jin (*Chairman*)

Dr. Yang Rui

Dr. Yin Junming

Nomination Committee

Dr. Wang Jin (*Chairman*)

Dr. Yang Rui

Dr. Yin Junming

Strategy Committee

Dr. Yang Rui (*Chairman*)

Dr. Yang Baofeng

Dr. Wang Xi

Supervisory Committee

Mr. Lou Zhiqiang

Ms. Sun Caiyun

Mr. Huang Xuegong

Joint Company Secretaries

Ms. He Rong

Mr. Tam Ka Lung

Authorised Representatives

Ms. He Rong

Mr. Tam Ka Lung

Legal Advisors

As to Hong Kong law:

Eric Chow & Co. in Association with
Commerce & Finance Law Offices

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18 Chater Road

Central

Hong Kong

As to PRC law:

JC Master Law Offices

9/F, National Water Resources Building

Qingjiang South Rd. No. 70

Nanjing, Jiangsu Province, PRC

Auditor

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong



Corporate Information (Continued)



Compliance Advisor

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Company Website

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Registered Office

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Taizhou City, Jiangsu Province
PRC

Stock Code

06960

Listing Date

26 August 2025

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Taizhou City, Jiangsu Province
PRC

Principal Place of Business in Hong Kong

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Hong Kong

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wai Chai,
Hong Kong

Principal Bankers

Agricultural Bank of China Taizhou Shuangdeng Branch

Chairman's Statement



Dear Shareholders,

2025 marks a crucial year for our Company in its journey towards becoming a global leader in critical infrastructure energy storage.

This year, the external environment has remained complex and volatile, with global economic growth under pressure, resulting in intensified industry competition and frequent market sentiment fluctuations. However, we firmly believe that while the short-term environment is of great importance, it cannot change the long-term trend. For corporate operations, what determines their value is **never what happened in a single year, but what is consistently accumulated over many years to come.**

Our Company has always focused on areas that it can understand, excel in, and that offers long-term demand – **energy storage and power supply assurance for critical infrastructure.**

Today, this sector is entering a new phase of development. With the rapid advancement of artificial intelligence, the continuous expansion of computing power infrastructure and the accelerated transition of global energy structures, energy storage is evolving from traditional supporting facility into an integral component of modern energy systems and digital economy infrastructure. In particular, **the AI era is reshaping energy infrastructure, transforming energy storage from a cost centre into a value centre.** We are pleased to see this trend, but we will not be blindly optimistic about this trend for its popularity. Every industry experiences its ups and downs. What is truly worth investing in is not short-term hotspots, but long-term real demand. **Our Company's goal is not to chase the fleeting trends, but to become the most trusted long-term partner in the global critical infrastructure energy storage sector.**

During the reporting period, the Group achieved revenue of RMB5,083.4 million, representing a year-on-year increase of 13.0%. Among which, the revenue from the AIDC data center energy storage business reached RMB1,907.0 million, representing a year-on-year increase of 37.0%, becoming the largest source of revenue for the Group for the first time; electrical energy storage business increased by 97.9% year-on-year. These figures demonstrate that the investments we made years ago are gradually delivering results.

A common misconception in corporate management is that **people tend to over-estimate the changes that occur in a single year while under-estimating the power of five years of accumulated progress.** Our Company has consistently invested in research and development, manufacturing capabilities, quality systems, customer relationships and global service network over years. While these investments may not yield immediate and visible results, they will prove their value at critical moments. We believe that the growth of outstanding companies is typically not achieved through sudden leaps, but rather through the power of compounding.

Our Company has long adhered to the principle of prudent management. While we value revenue growth, we place even greater emphasis on the quality of that growth; while we value market share, we place even greater emphasis on customer trust; and while we value speed, we place even greater emphasis on ensuring we are heading in the right direction.

Therefore, over the past year, we have continued to expand our global manufacturing and delivery capabilities. The lithium battery plant in Xiangyang, Hubei, has successfully commenced operations; the high-rate AIDC lithium battery production line in Taizhou, Jiangsu began construction and the smart manufacturing base in Malaysia continued to enhance its local delivery capabilities. The purpose of these decisions is not to pursue short-term scale, but to strengthen our competitive edge for the next decade.

Chairman's Statement (Continued)



We also recognise that industry competition remains fierce. Some companies are accustomed to trading price for market share, pursuing growth through aggressive expansion and sacrificing long-term stability for short-term financial performance. Our Company will not follow this path. We would rather earn less in the short term than compromise product quality; we would rather expand more slowly than weaken the safety of our balance sheet; and we would rather endure short-term volatility than abandon long-term, sound investments. As a company that has successfully navigated through multiple cycles, we deeply understand that **once discipline is lost, the consequences may not be visible during industry booms, but the price will be paid when headwinds arise.**

For technology routes, we maintain an open and pragmatic approach. We continue to promote the layout of multiple technical routes such as lead-acid, lithium battery, sodium battery, semi-solid state, flow and aqueous system, while adhering to the principle of “**scenario-defined technology, safety-led application**”. What our customers truly need is not a conceptual technology, but solutions that are reliable, safe, economical and sustainable in operation. We firmly believe that in the business world, the ultimate winners are often not the loudest companies, but those that are best able to consistently solve customer problems.

As a listed company, we place equal importance on ESG governance and shareholder returns. Since our listing on the Hong Kong capital market, we have continuously improved our governance structure, strengthened risk controls, enhanced operational transparency, with the long-term creation of per-share value as our core objective. When shareholders entrust us with their capital, it is a mark of trust. The Board's responsibility is to allocate every dollar prudently and strive to generate reasonable returns over the years to come.

Looking ahead, we remain confident in the industry, while staying clear-headed. The AIDC energy storage market offers vast potential, but market space does not equate to corporate profits. There are many technological opportunities, but opportunities do not guarantee results. What truly determines a company's long-term value is whether its management is rational, its organisation is efficient, its capital allocation is prudent, and its corporate culture is reliable. Our Company will continue to focus on its core business, remain patient and stay committed to long-termism.

We believe that in the next decade, the global energy storage industry will see the emergence of a few platform companies that truly possess the capabilities in technology, manufacturing, delivery and globalization. Our Company is dedicated to be one of such companies.

Finally, on behalf of the Board, I would like to express my heartfelt gratitude to all shareholders, customers, partners and employees for their long-standing trust and support. **The market sets prices every day, but time ultimately determines value.** Our Company is committed to rewarding our Shareholders for their long-term companionship through sound operations, continuous innovation and honesty and integrity.

Dr. Yang Rui
Chairman of the Board
Hong Kong
25 March 2026

Financial Highlights



The financial summary of the Company for the year ended 31 December 2025 and the comparison with the corresponding period of last year are set out as follows:

	For the year ended 31 December		Changes
	2025	2024	
	RMB million	RMB million	
Revenue	5,083.4	4,498.5	13.0%
Gross profit	709.2	750.9	-5.6%
Profit for the year	255.5	353.3	-27.7%
Profit attributable to owners of the parent	255.5	353.3	-27.7%
Basic earnings per share (RMB)			
– Basic	0.67	0.99	
– Diluted	0.67	0.99	



Management Discussion and Analysis



In the era of computing power, energy comes first. Shuangdeng is becoming the energy foundation for AIDC Smart Computing Center's computing infrastructure.

In 2025, with explosive demand for AI computing reshaping data center energy systems worldwide, the Group continued to upgrade its business structure and achieved key breakthroughs in business transformation, transitioning from a traditional telecom energy storage manufacturer to a global provider of AIDC smart computing center energy infrastructure solutions.

During the Reporting Year, the Company achieved steady growth in operating performance and continued to optimize its business structure. Operating revenue for the year amounted to approximately RMB5,083.4 million, representing an increase of approximately 13.0% year-on-year. In particular, revenue from lithium-ion battery products grew by approximately 31.6% year-on-year, showing significantly improved momentum. Remarkably, revenue from lithium-ion battery modules for AIDC smart computing centers soared by approximately 598.3% year-on-year. The AIDC smart computing center energy storage business has rapidly grown into the Group's second growth curve and has become the Group's largest source of revenue. At the same time, revenue from the new power energy storage business increased by approximately 97.9% year-on-year, showing strong growth momentum. This marks that the Group's business structure has evolved from being dominated by telecom energy storage to a new development landscape led by "AIDC smart computing center energy storage, with new power energy storage as a key growth driver and telecom energy storage as the foundation", highlighting the effectiveness of its transformation.

During the Reporting Year, the Group recorded a profit for the year of approximately RMB255.5 million. Due to factors such as raw material price fluctuations and product mix adjustments, short-term profitability experienced temporary fluctuations. With the gradual ramp-up of production capacity of lithium battery for AIDC smart computing center, continued optimization of product mix and release of scale effects, the Group's overall profitability is expected to improve steadily, with its long-term growth potential being gradually unlocked.

Looking ahead, as AI computing infrastructure continues to expand, AIDC smart computing center energy storage systems has become a core energy infrastructure in the computing era, with market demand set to continue its explosive growth. The Group will steadfastly advance the execution of its "AIDC-centric one core, two wings" strategy, focusing on core businesses, strengthening technological innovation, expanding global markets, and further enhancing its core global competitiveness.



INDUSTRY OVERVIEW

It has become an industry consensus that “the endgame of AI is energy”. In 2025, the explosive surge in global AI computing demand fueled AIDC Smart Computing Center construction and iterative upgrade. According to Gaogong Industrial Research Institute (GGII), global AIDC smart computing center energy storage market is projected to grow from 15GWh in 2025 to 300GWh in 2030, representing a 20-fold scale growth with CAGR exceeding 60%, making it the most certain growth track in the energy storage industry.

The surge in AI computing power is significantly intensifying the demand for energy storage both domestically and abroad, especially for North America. The aging power grid in the United States struggles to carry the massive electricity loads required by data centers. The U.S. government has explicitly required technology companies to build their own power supplies and self-provided electricity for new data centers to prevent high energy from driving up residential electricity prices and triggering the risk of power supply interruptions. As the world’s largest data center hub, Virginia, United States has seen the completion of over 570 data centers. The power consumption of a single large-scale project is comparable to that of a small or medium-sized city, exerting continuous and heavy pressure on the regional power grid. According to estimates by the Electric Power Research Institute (EPRI) in the United States, the electricity consumption of data centers in the United States currently accounts for 4% to 5% of the country’s total power consumption, and this proportion is expected to rise to 9% to 17% by 2030, representing an exponential expansion in power demand. Driven by the dual factors of the power grid’s carrying capacity approaching its limit and policy guidance toward self-provided power supply, the demand for green power facilities and energy storage systems for data centers in North America will experience an accelerated surge, opening up vast opportunities for the Group’s global business expansion.

The domestic market will also accelerate. China’s cumulative new-type energy storage installed capacity reached 144.7 GW in 2025 (+85% year-on-year), with new operational capacity hitting 66.43 GW/189.48 GWh (+52%/+73% year-on-year). The application structure has fundamentally shifted from user-side dominance (accounting for 35%) to standalone energy storage (accounting for 58%). Driven by the explosion in AI computing demand and the “dual carbon” goals, a multi-level policy support system for data center energy storage has been established at the national level, elevating energy storage systems from an “optional feature” to a “rigid demand” for data centers.

In 2026, “computing-electricity synergy” was officially transitioned from a local pilot initiative to a national strategic deployment, being included in the Government Work Report. This promotes the implementation of integrated “green power + energy storage + computing clusters” projects in Western China. The year 2026 also marks the beginning of China’s 15th Five-Year Plan. Under the strategy to accelerate the construction of a new energy system and deepen energy transition, new energy storage has emerged as one of the six new strategic pillar industries. The sector is set for a historic turning point—shifting from scale expansion to high-quality development, from product competition to value competition, and from domestic focus to global outreach. Leading cloud providers in China are committing tens of billions in capital expenditure to AIDC construction over the next three years. The three top operators are optimizing their investment mix and are expected to increase the proportion of investment in computing power significantly in 2026, driving the large-scale deployment of smart computing centers. This is evidenced by the commissioning of China Mobile’s ten-thousand-GPU smart computing centers in Hohhot and Harbin, and China Telecom’s fully-liquid-cooling pool for a ten-thousand-GPU cluster. The industry is experiencing strong growth momentum.





From the perspective of the industry development cycle, the energy storage industry has completely moved past the stage of extensive expansion and has fully shifted toward competition in core system capabilities. Driven by the explosion of AI computing power, energy storage for AIDC Smart Computing Center—with its core advantages of strong essential demand, vast growth potential, and the dual support of policy and capital—is destined to become the core golden track in the global energy storage field over the next 5 to 10 years. Its long-term development prospects are extensive, and market sentiment remains consistently high.

BUSINESS REVIEW

As a globally leading new energy company focused on AIDC smart computing centers energy storage, new power energy storage and telecom energy storage, the Group further demonstrated the effectiveness of its business structure upgrade amid the rapid development of AI computing. During the Reporting Year, the Group achieved operating revenue of approximately RMB5,083.4 million, representing an increase of approximately 13.0% year-on-year growth; of which, income derived from lithium battery products contributed approximately 38.7% of the Group's revenue, whereas the revenue contribution was approximately 33.3% in 2024, reflecting structural growth. With the continued ramp-up of AIDC smart computing center energy storage business, the Group is accelerating its strategic transformation centered on AIDC smart computing center energy storage to achieve high quality business development.

1. AIDC Smart Computing Center Energy Storage Business: Second growth curve fully formed, becoming the core growth engine

The AIDC smart computing center energy storage business has become a key driver of the Group's revenue growth and structural optimization and upgrading. This marks a critical achievement in the Group's strategic transformation.

During the Reporting Year, with the accelerated construction of global AI computing infrastructure, demand for AIDC smart computing center energy storage continued to surge. Leveraging years of technical accumulation, products of superior quality and customer resources in telecom energy storage, the Group has successfully achieved a strategic extension and upgrade into the AIDC smart computing center energy storage field. In 2025, AIDC smart computing center energy storage system shipments grew steadily, generating revenue of approximately RMB1,907.0 million (approximately +37.0% year-on-year) and officially becoming the Group's largest revenue source. In particular, revenue from lithium battery for AIDC smart computing center continued to grow. Although its current proportion of revenue is relatively low, its year-on-year growth rate reached approximately 598.3% and product sales increased by approximately 531.8% year-on-year, fully demonstrating the Group's leapfrog upgrade in business structure and the comprehensive establishment of its second growth curve.

The customer structure continued to optimize, with breakthroughs achieved in both domestic and international markets. In the domestic market, the Group deepened cooperation with leading domestic internet companies and successfully entered the supply chains of multiple international data center operators and colocation service providers. During the Reporting Year, the Group delivered energy storage solutions to major customers including large internet companies such as Alibaba, ByteDance and GDS, as well as Colocation service providers. Overseas, the Group secured multiple high-voltage lithium battery orders from international data centers, achieving an important breakthrough in the overseas AIDC smart computing center energy storage market and laying the foundation for future large-scale expansion.



2. New Power Energy Storage Business: Rapid breakthrough amid incremental market growth, unleashing growth potential

During the Reporting Year, by capturing opportunities in the industry, the Group's new power energy storage business achieved rapid growth and emerged as a key driver of revenue growth. Revenue from the power energy storage business for the year was approximately RMB892.0 million, representing an increase of approximately 97.9% year-on-year, with its contribution to the total revenue of the Group rising from approximately 10.0% in 2024 to approximately 17.5% in 2025, which was a significant improvement. In particular, revenue from power energy storage lithium battery products grew approximately 111.1% year-on-year to approximately RMB826.8 million, product sales increased by approximately 376.5% year-on-year and became the core support for the growth of power energy storage business.

The Group capitalised on opportunities in large-scale grid storage, commercial and residential energy storage, and won bids for major energy storage projects such as the Lixin Energy's 200MW/800MWh energy storage project, followed by an additional 100MW/400MWh order, with cumulative contract value exceeding RMB500 million, demonstrating the Group's core strengths in the power energy storage field. The business also expanded progressively into global markets, achieving breakthroughs in high-growth regions in new energy, such as Europe, Southeast Asia and South Asia. The Group signed GWh-level container energy storage cooperation agreements with overseas new energy developers, laying the groundwork for large-scale expansion into overseas power energy storage markets.

3. Telecom Energy Storage Business: Robust business performance, reinforcing the foundation for growth

During the Reporting Year, due to adjustments to the business structure of the Group (with AIDC smart computing center energy storage business and power energy storage business reporting rapid growth), revenue from the telecom energy storage business was approximately RMB1,881.7 million, with its contribution to the Group's total revenue declining from approximately 51.1% in 2024 to approximately 37.0% in 2025. Despite the decline in revenue contribution, the Group maintained its leading position and robust development in the field of telecom base station energy storage, which provided the Group with stable cash flow and profitability and strengthened the strong core foundation for the development of its AIDC smart computing center energy storage business and the expansion into overseas markets.

In domestic markets, the Group continued to strengthen its presence in the telecom energy storage field and maintained long-term stable cooperation with leading domestic telecom operators such as China Mobile, China Telecom and China Tower and telecommunications equipment providers such as Huawei, ZTE, etc.. In overseas markets, the Group actively expanded its presence by deepening strategic cooperation with leading international telecom equipment providers and operators such as Ericsson, Nokia and Vodafone, further broadened overseas market coverage and enhanced its global brand influence.





Domestic and International Production Capacity – Accelerating Global Service Capabilities

To meet the surging demand of the AIDC smart computing center energy storage market and address the influx of orders and supply shortages, the Group has closely adhered to its “China +” globalization strategy for production capacity. With China as its core manufacturing and technology hub, the Group has concurrently expanded its overseas capabilities for efficient delivery and accelerated the deployment of core production capacity and upgrading of production capability at an exceptional pace.

During the Reporting Year, the Group made efficient progress on the construction of its 2.8GWh lithium battery cell plant in Xiangyang, Hubei, with the project completed rapidly and operations commencing successfully. This swiftly established large-scale cell supply capabilities, effectively ensuring on-time delivery of key orders. Also, driven by persistently high demand for high-rate energy storage products for AIDC smart computing centers and a robust order backlog, the Group made a major production capacity investment decision promptly after its listing. This involved launching a 2.8GWh high-rate lithium battery production line in Taizhou, Jiangsu tailored for AIDC smart computing centers, which officially broke ground in October 2025. This fast-paced, high-efficiency approach to building an industry-leading cell production base tailored for AIDC will enable the Group to strengthen its production foundation, seize global computing power energy storage opportunities and consolidate market leadership.

In overseas capacity, the Group efficiently advanced the construction of its production base in Malaysia. During the Reporting Year, a technological upgrade to the advanced PACK production line was completed, enabling delivery capabilities for AIDC smart computing center energy storage systems, and obtained major international certifications such as UL and UN, satisfying global market access and compliance requirements. This base will serve as the Group’s core delivery hub for the global markets, effectively shortening delivery lead times for overseas orders and providing robust capacity support for the continued scaling of global business and localized customer services.

For traditional products, the Group promoted capacity upgrades for lead-acid batteries. During the Reporting Year, the 1GWh high-rate lead-acid battery technical upgrade and expansion project was completed. The global shipments of lead-acid battery products remained at the leading level in the industry.

Research and Development and Technological Innovation

During the Reporting Year, the Group upheld the philosophy of “technology-driven development” and continuously increased its investment in research and development, with research and development expenses rising approximately 21.4% year-on-year. The focus on core technological breakthroughs and product innovation has been instrumental in supporting the Group’s strategic transformation and enhancing its market competitiveness. Milestone achievements were made in the technological development, product application, and market promotion of high-rate lithium battery products. During the Reporting Year, the Group obtained 23 patent grants, including 7 invention patents; and filed 144 new patent applications, continuously strengthening technological expertise to build a robust product technology moat.

Management Discussion and Analysis (Continued)



In terms of product innovation, the Group continued to drive technological upgrades. During the Reporting Year, several industry-leading innovative products and solutions were launched, including:

- **AIDC Smart Computing Center Energy Storage Tailored Product Innovation:** Introduced the innovative AIDC “Jinwei” (浸衛) high-voltage lithium battery system, along with customized diversified solutions for different “source-grid-load-storage integration” application scenarios of AIDC Smart Computing Center, precisely matching them to specific scenarios
- **Self-Developed Battery Management System (BMS) with Continuous Iterative Upgrades:** Employing a module-cluster-system three-level architecture, the system achieves full-chain closed-loop control from cell to system, enabling high-precision acquisition of key parameters such as voltage, current, and temperature. Widely applied in scenarios including smart computing centers, large-scale energy storage power stations, and overseas energy storage systems, the BMS works in deep synergy with self-developed cells and the EMS. This continuously enhances product safety, cycle life, and system reliability, delivering stable, safe, and efficient energy storage solutions to global customers.
- **Energy Storage System Iteration:** Released a new 5 MWh standardized energy storage system based on semi-solid-state cell technology and a 1P104S structure, achieving breakthroughs in energy density, safety and standardization, suitable for large-scale storage applications, and enhancing deployment efficiency and operational safety.
- **Breakthroughs in Low-Temperature Sodium Battery Technology:** This is the industry’s first mass-producible, low-temperature sodium battery solution developed in collaboration with Tsinghua University, designed for telecom and extreme cold scenarios. Its core breakthroughs lie in “stable discharge at-40°C in extreme cold, normal charging at-30°C without heating, a wide operating temperature range, and low cost”. It has already been widely commercialized.
- **Innovation in the AI safety management system:** The Group co-developed the AI smart-eye battery monitoring system with the Dalian Institute of Chemical Physics, Chinese Academy of Sciences. Built on a core technological architecture of “battery intrinsic mechanism + deep learning + digital twin”, the system enables a shift from passive protection to active warning, and a comprehensive upgrade from individual cell monitoring to system optimisation. It was awarded the TOP Prize for Innovation Excellence at the 2025 International Energy Storage Innovation Competition, becoming one of the core technological competencies of the Group’s energy storage products in the global market.

ESG and Sustainable Development

The Group has always integrated ESG concepts into every aspect of its corporate strategic planning, operational management, and business innovation, striving for the synergistic development of economic, environmental, and social benefits. Through concrete actions, we bring to life our vision of “Store love and green energy”. In enhancing corporate governance, since listing on the Main Board of the Hong Kong Stock Exchange, the Group has further refined its corporate governance structure, strengthened the Board’s leadership and oversight of ESG work, and established robust internal control and risk warning mechanisms. These measures ensure business operations are lawful and compliant, and information disclosure is timely and transparent, as the Group aspires to be a trusted value partner in the international capital market.



Management Discussion and Analysis (Continued)



In environmental protection, the Group adheres to ‘full lifecycle green management’ as its core philosophy, continuously strengthening the foundation for green development. The Group is deeply engaged in the AIDC smart computing center energy storage, new power energy storage and telecom energy storage, actively building a comprehensive green industrial chain. Through technological innovation, the Group promotes the efficient utilization of resources, effectively reduces carbon emissions, and contributes to the achievement of the “dual carbon” goals.

In social empowerment, the Group respects the individuality of its employees and values their growth. The Group has established a platform for diversified development and growth and continuously improved its talent cultivation system to provide employees with broad opportunities for advancement. Also, the Group established the Shuangdeng Charitable Foundation (「從善如登」慈善基金會). Guided by the philosophy of “Strive for Goodness, Act with Kindness”, the foundation concentrates its efforts on educational support, technological innovation, and social welfare, running programs that include scholarships and hardship assistance. Through these concrete actions, the Group demonstrates its commitment to social responsibility, delivering warmth and compassion to those in need.

In customer value creation, the Group remains steadfast in its commitment to quality, continuously researching and developing high-quality, efficient solutions that create value and support its customers in achieving sustainable development.

FUTURE OUTLOOK

Looking ahead, with the rapid advancement of AI technology, global computing demand is set to grow, and the scale of computing infrastructure will continue to expand, resulting in higher requirements for the stability and reliability of energy systems. The energy storage industry is embracing unprecedented development opportunities and competition is gradually shifting from individual product to system capability. The Group will take China as its industrial and technological base and continue to advance the “China +” globalization strategy for production capacity and services. This will support the global market expansion of its AIDC smart computing center energy storage, new power energy storage, and telecom energy storage businesses. The Group has defined 2026 as a year of comprehensive capability enhancement, focusing on technological innovation, capacity construction and global layout in its strategy implementation.

In terms of production capacity, the Group plans to establish new production capacity for large-capacity semi-solid state energy storage cells domestically while continuously expanding the scale of high-rate lithium battery cells. Simultaneously, the Group will construct high-rate lithium battery cell production lines in Southeast Asia tailored for AIDC smart computing centers, aiming to further enhance its global delivery capabilities and meet the growing demand in both domestic and international markets. As global market continues to expand, the Group will also gradually transition from “sales of single product” to “comprehensive solution export” and continuously enhance its global competitiveness through integrated “technology + product + service” capabilities.

In terms of market expansion, the Group will continue to extend its collaboration with domestic AIDC smart computing center customers, and provide AIDC smart computing center energy storage solutions to leading domestic internet customers, such as Alibaba and ByteDance, to keep pace with their overseas expansion, so as to achieve “domestic cooperation and global synergy”. Also, the Group will strategically target the explosive growth opportunities in overseas AIDC smart computing center energy storage markets. This involves establishing localized sales platforms, exploring global leading cloud manufacturers and smart computing center operators, focusing on long-duration energy storage products tailored to international market demands. The Group is initiating its market expansion strategy and leveraging its product technology advantages to secure orders in overseas colocation scenarios.

Management Discussion and Analysis (Continued)



In terms of business development, the Group will continue to advance its “one core, two wings” business strategy, with AIDC smart computing center energy storage business as the core growth engine; new power energy storage business and telecom energy storage business as the two major supporting pillars, jointly building a stable structure for business growth.

- **AIDC smart computing center energy storage sector:** In the backup power market, the Group will focus on promoting core products such as high-rate lithium battery systems and immersed lithium iron phosphate battery modules, and leverage the demonstrative effect of large domestic AIDC projects to continuously expand market share. In the energy storage market, the Group will prioritise promoting the application of semi-solid-state batteries and sodium-ion batteries in AIDC smart computing center scenarios, enhance energy density and cycle life of storage systems, further optimise “green power direct connection + energy storage” solutions, and help AIDC smart computing centers achieve zero-carbon targets.
- **New power energy storage sector:** The Group will focus on domestic market scenarios including grid-side frequency regulation and peak shaving, new energy supporting energy storage, and shared energy storage. It will accelerate the implementation of GWh-level large-scale energy storage projects and enhance the supply capability of large-capacity, long-life, high-safety energy storage systems to support the construction of new power systems. Concurrently, the Group will accelerate progress on large-scale overseas energy storage projects, deepen cooperation with international new energy investors and power companies, establish benchmark overseas projects, and increase its international market share.
- **Telecom energy storage sector:** The Group will continuously upgrade the capacity, cycle life, and environmental adaptability of telecom lithium battery products, gradually reduce the proportion of traditional lead-acid products, and expand the application of high-rate lithium batteries and lithium iron phosphate batteries.

In terms of technological innovation, the Group will persistently increase investment in research and development, drive product technology upgrades based on market demands, and adopt a forward-looking approach in the research and development of new battery technologies, push forward technological breakthroughs in areas such as solid-state batteries, aqueous batteries, and long-duration energy storage, so as to gradually build technological barriers. The Group will make parallel efforts in product development and standard setting by improving in both the quality and quantity of patent applications as well as participating in the formulation of industry standards, in order to continuously enhance its technological innovation capabilities and industry influence. In the future, the Group will focus on advancing the application of the following core technologies and products:

- **AIDC Smart computing center lithium battery container system:** Launched for large-scale internet customers, and centered on “modular integration, high power density, full-chain safety, and intelligent management”, the system comprehensively meets internet giants’ core requirements for 7×24-hour stable power supply, peak power output, rapid deployment, and low TCO. It has become the standard energy storage solution for data centers of leading enterprises such as Alibaba.





- **AI system development:** The Group will continuously strengthen the research and development and application of the AI intelligent management system, construct a full-chain digital and intelligent system covering cell status monitoring, safety warning, life management, and intelligent operation and maintenance. Related technologies will be widely promoted across multiple fields including AIDC smart computing center energy storage, new power energy storage, and telecom energy storage, so as to achieve intelligent management and efficiency enhancement across scenarios and throughout the entire lifecycle.
- **Next-generation intrinsically safe complete solid-state battery technology:** Centered on sulfide solid electrolyte technology, breakthroughs in solid-solid interface impedance, and the AI smart-eye safety closed-loop, this technology aims to construct a system that is intrinsically safe from cell to system, to address the pain point of thermal runaway in energy storage while achieving high energy density, ultra-long life, and a wide operating temperature range. This represents a next-generation core technological pathway for AIDC smart computing centers, long-duration power energy storage, and high-end overseas scenarios.
- **Sodium-ion battery industrialization:** The Group will continuously advance the research and development and industrialization of sodium-ion battery technology, focusing on core requirements in energy storage scenarios. This involves overcoming key technical challenges such as wide temperature range and long cycle life, striving to create high-safety, low-cost, resource-independent sodium-ion energy storage solutions to provide diversified technological support for scenarios including telecom energy storage and energy storage in extreme environments.
- **Aqueous energy storage battery technology:** Featuring intrinsic safety, low cost, long life, wide temperature range, and easy recyclability, this technology serves as a crucial technological foundation for long-duration power energy storage, telecom backup power, and high-cost-performance overseas scenarios, forming a complementary full technology matrix with solid-state and lithium batteries.

“Climbing never stops”. The Group will always steadfastly uphold its core responsibilities, embrace the trends of the AI era, and bravely undertake the missions of the energy storage era. With unremitting spirit, the Group will continuously enhance its global competitiveness through “technology + product + service” integrated solutions, and actively seize the industrial opportunities presented by the AI computing era to evolve from a manufacturer of traditional telecom energy storage products into a global provider of energy infrastructure solutions for AIDC smart computing centers.



OPERATING RESULTS AND ANALYSIS

Revenue

Revenue for the year ended 31 December 2025 increased by approximately 13.0% year-on-year to approximately RMB5,083.4 million.

The following table sets forth the Group's revenue by product and application scenario for the year ended 31 December 2025 and the year ended 31 December 2024:

	Year ended December 31		Year-on-year change
	2025	2024	
	RMB' 000	RMB' 000	
By product			
Sales of lithium-ion battery products	1,968,928	1,495,978	31.6%
Sales of lead-acid battery products	2,974,170	2,907,232	2.3%
Others ⁽²⁾	140,347	95,312	47.3%
Total	5,083,445	4,498,522	13.0%
By application scenario			
AIDC data center energy storage	1,907,010	1,391,898	37.0%
Telecom energy storage	1,881,742	2,299,367	-18.2%
Electrical energy storage (including household)	891,987	450,840	97.9%
Other application scenarios ⁽¹⁾	262,359	261,105	0.5%
Others ⁽²⁾	140,347	95,312	47.3%
Total	5,083,445	4,498,522	13.0%

Notes:

- (1) Mainly includes uninterruptible power supply batteries and start-stop batteries, etc.
- (2) Mainly includes the sales of waste materials such as lead slag and scrap.

For the year ended 31 December 2025, revenue from the lithium-ion battery business grew by approximately 31.6% year-on-year, primarily due to increased lithium-ion battery production capacity, the Group's strategy to strengthen the development of lithium-ion battery for AIDC smart computing centers, and growth in the power energy storage business. During the year ended 31 December 2025, revenue from the lead-acid battery business increased by approximately 2.3% year-on-year, maintaining stable development momentum.





Cost of sales

The Group's cost of sales increased by approximately 16.7% from approximately RMB3,747.6 million for the year ended 31 December 2024 to approximately RMB4,374.2 million for the year ended 31 December 2025, primarily due to increased sales of the Group's products and rising raw materials prices.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margin by product use during the years indicated:

	Year ended December 31			
	2025		2024	
	RMB' 000	%	RMB' 000	%
Lithium-ion battery	307,923	15.6%	307,693	20.6%
Lead-acid battery products	398,334	13.4%	440,394	15.1%
Others ⁽¹⁾	2,954	2.1%	2,796	2.9%
Total	709,211	14.0%	750,883	16.7%

Note:

(1) Others primarily include sales of waste including lead slag, used batteries, etc.

Gross profit decreased by approximately 5.6% from approximately RMB750.9 million for the year ended 31 December 2024 to approximately RMB709.2 million for the year ended 31 December 2025.

Gross profit margin decreased by approximately 16.2% from approximately 16.7% in the year ended 31 December 2024 to approximately 14.0% for the year ended 31 December 2025. This is due to adjustments in export tax rebate policy and rising prices of raw materials.

Other income and gains

Other income and gains decreased by approximately 25.3% from approximately RMB115.6 million in the year ended 31 December 2024 to approximately RMB86.4 million for the year ended 31 December 2025. This is mainly due to adjustments in government incentive policies.

Selling and marketing expenses

Selling and marketing expenses increased by approximately 7.5% from approximately RMB138.0 million in the year ended 31 December 2024 to approximately RMB148.4 million for the year ended 31 December 2025. As a percentage of sales, these expenses decreased from 3.1% for the year ended 31 December 2024 to 2.9% for the year ended 31 December 2025, reflecting steady control over selling and marketing expenses.

Management Discussion and Analysis (Continued)



Administrative expenses

Administrative expenses decreased by approximately 14.8% from approximately RMB156.5 million for the year ended 31 December 2024 to approximately RMB133.4 million for the year ended 31 December 2025, accounting for approximately 3.5% of sales revenue for the year ended 31 December 2024, which decreased to approximately 2.6% for the year ended 31 December 2025, primarily due to the enhancement in operational efficiency of administrative functions of the Group.

Remuneration of administrative staff decreased by approximately 12.2% from approximately RMB66.3 million for the year ended 31 December 2024 to approximately RMB58.2 million for the year ended 31 December 2025, primarily due to a decrease in the performance bonus of administrative staff.

Research and development costs

Research and development costs increased by approximately 21.4% from approximately RMB110.5 million in the year ended 31 December 2024 to approximately RMB134.2 million in the year ended 31 December 2025. This was primarily due to increased investment in the development of new products, including high-rate lithium-ion battery cells for AIDC smart computing centers and immersed lithium iron phosphate lithium-ion battery and system.

Impairment losses on financial and contract assets, net

Impairment losses on financial and contract assets, net decreased by approximately 45.3% from approximately RMB19.2 million for the year ended 31 December 2024 to approximately RMB10.5 million for the year ended 31 December 2025, which was primarily due to the Group's continued efforts to strengthen credit control measures and optimize its accounts receivable collection mechanism, which led to an improvement in the credit risk profile of related financial and contract assets, resulting in a year-on-year decrease in impairment losses.

Other expenses

Other expenses increased by approximately 103.0% from approximately RMB20.2 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025, primarily due to an increase in the corresponding property tax and land use tax payable on newly included assets during the period, as well as the impact of foreign exchange losses.

Finance costs

Finance costs increased by approximately 41.4% from approximately RMB19.8 million for the year ended 31 December 2024 to approximately RMB28.0 million for the year ended 31 December 2025, primarily due to the capitalization of interest on certain project loans for the year ended 2024 and an increase in working capital loan for the year ended 2025.

Share of profits and losses of associates

Share of profits and losses of associates decreased by approximately 104.7% from a gain of approximately RMB0.43 million for the year ended 31 December 2024 to a loss of approximately RMB0.02 million for the year ended 31 December 2025, primarily due to the loss incurred by an affiliated company as a result of market conditions.



Profit before tax

As a result of the above factors, the Group recorded a decrease in profit before tax by approximately 25.5% from approximately RMB402.7 million for the year ended 31 December 2024 to approximately RMB300.2 million for the year ended 31 December 2025.

Income tax expenses

Income tax expenses decreased by approximately 9.7% from approximately RMB49.4 million for the year ended 31 December 2024 to approximately RMB44.6 million for the year ended 31 December 2025, primarily due to the decrease in the Group's assessable profit for the year.

Profit for the year

As a result of the above factors, the Group recorded a decrease in profit by approximately 27.7% from approximately RMB353.3 million for the year ended 31 December 2024 to approximately RMB255.5 million for the year ended 31 December 2025, of which the Group recorded a profit attributable to owners of the parent of approximately RMB255.5 million (for the year ended 31 December 2024: approximately RMB353.3 million).

Capital Structure and financial resources

Cash and cash equivalents

As at 31 December 2025, the cash and cash equivalents increased by approximately 222.4%, amounted to approximately RMB1,274.2 million, compared to approximately RMB395.2 million as at 31 December 2024. The increase in cash and cash equivalents was mainly due to the proceeds from the issuance of new shares by the Company on the Hong Kong Stock Exchange. As at 31 December 2025, approximately RMB1,222.8 million of the cash and cash equivalents were denominated in RMB, compared to approximately RMB341.4 million as at 31 December 2024. The net cash generated from operating activities was approximately RMB1,043.0 million for the Reporting Year, compared to approximately RMB261.4 million for the year ended 31 December 2024, which was primarily driven by the Group's effective management of collection processes.

The Group's cash is mainly used for the fulfillment of its business operation requirements. The Group's capital needs are satisfied by cash generated from operating activities, the proceeds from the Listing and other financings.

Capital Structure

As at 31 December 2025, the Group had bank borrowings of approximately RMB942.8 million (31 December 2024: approximately RMB928.7 million), all of which were interest-bearing and most of bank borrowings are at fixed interest rates. Except for borrowings of approximately RMB212.6 million which mature after one year, all bank borrowings of the Group are repayable within one year.

The Group continues to adopt a prudent financial policy and has been regularly and closely monitoring its funding costs and loan maturity profile so as to facilitate refinancing whenever appropriate.

Management Discussion and Analysis (Continued)



Total equity

The total equity increased by approximately 43.7% to approximately RMB3,431.9 million as at 31 December 2025, compared to approximately RMB2,387.5 million as at 31 December 2024, primarily due to the net profit incurred and capital increase through listing and share issuance during the Reporting Year.

	As at 31 December	
	2025	2024
Current ratio (times) ⁽¹⁾	1.8	1.6
Gearing ratio ⁽²⁾	28.1%	39.6%
Debt to equity ratio (times) ⁽³⁾	0.3	0.4

Notes:

1. Current ratio is the current assets divided by the current liabilities at the end of each financial period.
2. Gearing ratio is total debt (including bank and other borrowings, and lease liabilities) divided by shareholders' equity at the end of each financial period and multiplied by 100%.
3. Debt to equity ratio is total borrowings plus lease liabilities divided by total equity at the end of each financial period.

Current Ratio

The current ratio increased to 1.8 as at 31 December 2025, compared to 1.6 as at 31 December 2024, mainly due to effective management of collection processes and sufficient cash generated from the Listing.

Gearing Ratio

The gearing ratio decreased to approximately 28.1% as at 31 December 2025, compared to approximately 39.6% as at 31 December 2024, mainly due to the equity increase resulting from the Listing.

Debt to Equity Ratio

The debt-to-equity ratio decreased to 0.3 as at 31 December 2025, compared to 0.4 as at 31 December 2024.

CAPITAL COMMITMENT

The total amount of capital commitment as at 31 December 2025 was approximately RMB50.8 million as compared to approximately RMB160.4 million as at 31 December 2024.

For details, please refer to note 36 to the consolidated financial statements.





EXCHANGE RATE FLUCTUATION RISKS

The Group's principal transactions in China are carried out in Renminbi (RMB). For operations in other countries, the Group's principal business transactions are conducted in US dollars. However, as the Group's revenue is denominated in RMB, the conversion of revenue into foreign currencies for payment of related expenses is subject to regulatory restrictions on the currency conversion in China. The value of Renminbi against US dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The Group's product sales adopt a price linkage mechanism, which largely transfers the risk of currency fluctuations to customers. However, the Group's trade receivables denominated in foreign currencies may still be subject to this risk during the credit period.

During the Reporting Year, the Group did not conduct any foreign exchange hedging related activity. The Group's management, upon continuously supervising foreign exchange risk, will consider adopting appropriate hedging strategies when necessary.

Details of the currencies in which cash and cash equivalents are held and in which trade receivables are made are set out in note 24 and 20 to the consolidated financial statements, respectively.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

PLEDGE OF ASSETS

As at 31 December 2025, certain property, plant and equipment of the Group were pledged to secure bank loan(s). For details, please refer to note 28 to the consolidated financial statements.

SIGNIFICANT INVESTMENT

As at 31 December 2025, the Group had no significant investments with a value of 5% or more of the Group's total assets.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not conduct any material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Reporting Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have other plans for material investments and capital assets except as disclosed in the Prospectus.



Continuing Connected Transactions

We have entered into the agreements and arrangements for continuing connected transactions with the connected persons under the Listing Rules in the ordinary and usual course of our business and in compliance with the requirements under Chapter 14A of the Hong Kong Listing Rules. We purchased certain raw materials from our connected persons in the ordinary course of our business (the connected persons set out below are referred to as the “**Connected Suppliers**”).

A. Provision of products by Jiangsu Fushanda New Energy Technology Co., Ltd. (江蘇福善達新能源科技有限公司) (“Jiangsu Fushanda”)

Jiangsu Fushanda was wholly owned by Shuangdeng Cable Co., Ltd. (雙登電纜股份有限公司) (“**Shuangdeng Cable**”) which was owned as to 90% by Jiangsu Haifu Investment Co., Ltd. (江蘇海富投資有限公司), a company owned as to 51% by Dr. Yang, our executive Director and chairman of the Board. As such, Jiangsu Fushanda is an associate of Dr. Yang and therefore a connected person of our Company under the Listing Rules. We have been purchasing raw materials from Jiangsu Fushanda including inter cell connectors since the Listing Date up to 31 December 2025 as part of our ordinary and usual course of business.

On 15 August 2025, we entered into a framework purchase agreement with Jiangsu Fushanda to govern the terms and conditions of the transactions between the Group on one hand and Jiangsu Fushanda on the other hand in connection with the provision of raw materials (the “**Jiangsu Fushanda Framework Purchase Agreement**”). Pursuant to the Jiangsu Fushanda Framework Purchase Agreement, Jiangsu Fushanda has agreed to provide raw materials, including inter cell connectors to the Group according to the purchase agreements or orders to be entered into by the Group with Jiangsu Fushanda from time to time. The Jiangsu Fushanda Framework Purchase Agreement will take effect upon Listing and will be valid until 31 December 2027, renewable by mutual agreement of the parties, subject to compliance with the requirement under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The actual amount paid by us to Jiangsu Fushanda for the year ended 31 December 2025 under the Jiangsu Fushanda Framework Purchase Agreement was approximately RMB24.84 million.





B. Provision of products by Shuangdeng Cable

Shuangdeng Cable was owned as to 90% by Jiangsu Haifu Investment Co., Ltd. (江蘇海富投資有限公司), a company owned as to 51% by Dr. Yang, our executive Director and chairman of the Board. As such, Shuangdeng Cable is an associate of Dr. Yang and therefore a connected person of our Company under the Listing Rules. We have been purchasing cables from Shuangdeng Cable primarily for our construction and capacity expansion projects as part of our ordinary and usual course of business since the Listing Date up to 31 December 2025.

On 15 August 2025, we entered into a framework purchase agreement with Shuangdeng Cable to govern the terms and conditions of the transactions between the Group on one hand and Shuangdeng Cable on the other hand in connection with the provision of cables (the “**Shuangdeng Cable Framework Purchase Agreement**”). Pursuant to the Shuangdeng Cable Framework Purchase Agreement, Shuangdeng Cable has agreed to provide cables to the Group according to the purchase agreements to be signed by the Group with Shuangdeng Cable from time to time. The Shuangdeng Cable Framework Purchase Agreement will take effect upon the Listing and will be valid until 31 December 2027, renewable by mutual agreement of the parties, subject to compliance with the requirement under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The actual amount paid by us to Shuangdeng Cable for the year ended 31 December 2025 under the Shuangdeng Cable Framework Purchase Agreement was approximately RMB1.02 million.

Since the Jiangsu Fushanda and Shuangdeng Cable are all associates of Dr. Yang, the transactions under the Jiangsu Fushanda Framework Purchase Agreement and Shuangdeng Cable Framework Purchase Agreement (together, the “**Connected Supplier’s Agreements**”) have been aggregated pursuant to Rule 14A.81 of the Listing Rules.

On 25 March 2026, we entered into a supplemental agreement with Jiangsu Fushanda and Shuangdeng Cable, under which the aggregate annual cap for the Connected Supplier’s Agreement for each of the two years ending 31 December 2026 and 2027 shall be increased to RMB70 million and RMB110 million respectively.

Further details of the Connected Supplier’s Agreements are set out in the paragraph headed “Connected Transactions – Partially-Exempt Continuing Connected Transactions” in the Prospectus, and the Company’s announcement dated 25 March 2026.

C. Provision of products by Jiangsu Weili

On 25 March 2026, based on the business development and requirements of the Company’s AIDC smart computing center energy storage, the Group entered into a framework purchase agreement (the “**Jiangsu Weili Framework Purchase Agreement**”) with Jiangsu Wei Li Energy Materials Co., Ltd. (including its subsidiaries, “Jiangsu Weili”) to regulate the terms and conditions regarding the transactions of raw material provision, product sales, processing services, and warehousing logistics between the Group (as one party) and Jiangsu Weili (as the other party). Pursuant to the Jiangsu Weili Framework Purchase Agreement, Jiangsu Weili agreed to provide raw material product sales (primarily lithium iron phosphate), processing services, and warehousing logistics services to the Group in accordance with the purchase agreements or orders entered into between the Group and Jiangsu Weili from time to time.

As 33.6227% of the shares in Jiangsu Weili was held by Lin Yang (林陽), who is its ultimate beneficial owner. As Lin Yang is a cousin of Dr. Yang Rui, Jiangsu Weili is a connected person of the Company under the Listing Rules, and the transactions between the Group and Jiangsu Weili constitute connected transactions.



The aggregate annual cap for the Jiangsu Weili Framework Purchase Agreement for each of the two years ending 31 December 2026 and 2027 shall be RMB30 million and RMB30 million respectively.

Further details of the Jiangsu Weili Framework Purchase Agreement are set out in the Company's announcement dated 25 March 2026.

The Board has delegated authority to our independent non-executive Directors to conduct annual review on the non-exempt continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable and conducted according to the terms of the relevant framework agreement pursuant to Rule 14A.55 of the Listing Rules. The Auditor will also conduct annual review on the pricing and annual cap of the nonexempt continuing connected transactions.

Confirmation from the independent non-executive Directors

Our independent non-executive Directors have reviewed the continuing connected transactions mentioned under sections (A) to (B) above (the "Continuing Connected Transactions"), and confirmed that the Continuing Connected Transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to relevant agreements governing them, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Confirmation from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the Auditor to conduct certain procedures in respect of the continuing connected transactions of the Group for the year ended 31 December 2025, in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 (Revised) Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules as issued by the Hong Kong Institute of Certified Public Accountants.

Pursuant to the waiver granted by the Stock Exchange from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for such Continuing Connected Transactions (details of which can be referred to the paragraph headed "Waivers from Strict Compliance with the Listing Rules – Partially-Exempt Continuing Connected Transactions" in the Prospectus), the Auditor has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into by the Group for the year ended 31 December 2025:

- (a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and





- (c) The annual cap for the purchase of raw materials from Shuangdeng Cable Co., Ltd. for the year ended 31 December 2025 is RMB950,000 as disclosed in the Company's prospectus dated 18 August 2025. The aggregate amount of the above transactions for the year ended 31 December 2025 was approximately RMB1,023,000, which exceeded the cap by approximately RMB73,000. Further details are set out in the Company's announcement dated 25 March 2026. Except for the aforementioned exceedance, nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The Company has complied with the requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

Directors, Supervisors and Senior Management

DIRECTORS

Executive Director

Dr. Yang Rui (楊銳), aged 46, is the chairman of the Board, executive Director and chief executive officer of our Company. He was redesignated as an executive Director on 19 July 2024. He served as a director of our Company from March 2013 to February 2014 and December 2014 to February 2017; as an assistant to the chairman of the Board from August 2018 to December 2020; and he has been serving as the Director and chief executive officer of our Company since December 2020 and the chairman of the Board since May 2021. He is primarily responsible for the overall management, operation and strategies of our Group.

Dr. Yang has over 12 years of experience in management. Dr. Yang served as a chairman of the board of Shuangdeng Front from July 2012 to March 2014. Prior to joining our Group, Dr. Yang served as a lecturer of Nanjing Forestry University (南京林業大學) from September 2007 to September 2016, and he was responsible for lecturing. In addition, he was one of the founders and served as a director of Open-ended Strategies International Design Inc. from September 2014 to September 2019, a commercial design firm, and he was responsible for the overall management.

Dr. Yang obtained his bachelor of landscape architecture degree and master of urban planning degree from Nanjing Forestry University in the PRC in July 2001 and June 2004, respectively. In addition, he obtained another master of landscape architecture degree from University of Toronto in Canada in June 2007. Dr. Yang obtained his doctoral of management degree from Nanjing University (南京大學) in June 2012.

Save as disclosed above, Dr. Yang has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Dr. Yang Baofeng (楊寶峰), aged 48, is an executive Director and a deputy general manager of our Company. He was appointed as a Director on 30 April 2018 and was redesignated as an executive Director on 19 July 2024. He is primarily responsible for overseeing the overall operations of our Group.

Dr. Yang joined our Company in August 2012 and as a deputy chief engineer from August 2012 to February 2016. Since March 2016, Dr. Yang Baofeng has accumulated extensive experience in management by serving as the director and senior management at our Group, including as: (i) a vice president of our Company since March 2016; (ii) a chairman of the board of Shuangdeng Runyoung since May 2018; (iii) a responsible person of Nanjing branch of our Company since January 2021; (iv) an executive director of Shuangdeng Front since January 2021; (v) a chairman of the board of Anhui Shuangdeng New Energy Co., Ltd. (安徽雙登新能源有限公司) from March 2021 to May 2023; (vi) a chairman of the board of Huifeng Juneng since April 2021; and (vii) a responsible person of Shanghai branch of our Company since March 2023.

Directors, Supervisors and Senior Management (Continued)



Prior to joining our Group, he served as an assistant to chief of Shuangdeng Technology, a company engaged in batteries research, from July 2001 to December 2003, as a chief of Shuangdeng Technology from January 2004 to December 2005, as a head of Shuangdeng Technology from January 2008 to July 2012.

Dr. Yang Baofeng obtained his bachelor of electrochemical engineering degree, master of chemical engineering degree and doctoral of chemical engineering and technology degree from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 1999, April 2007 and July 2020, respectively.

Save as disclosed above, Dr. Yang has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Ms. He Rong (賀蓉), aged 50, is an executive Director, chief financial officer, secretary of the Board and joint company secretary of our Company. She joined our Company in December 2011 and worked as a manager of financial department and an assistant to general manager from December 2011 to June 2017. She has been promoted to the chief financial officer since August 2018 and secretary of the Board since December 2020. She was appointed as a Director on 12 June 2024 and re-designated as an executive Director on 19 July 2024. She is responsible for secretary of the Board related works, and in charge of finance, human resources and investment of our Group.

Ms. He obtained her associate diploma in accounting for foreign-related enterprises from Jiangsu Finance and Economics College (江蘇財經高等專科學校) in the PRC in July 1996. She further obtained her master of business administration degree from Shanghai University of Finance and Economics (上海財經大學) in the PRC in January 2013.

Save as disclosed above, Ms. He has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Non-executive Director

Mr. Qian Shan'gao (錢善高), aged 70, is a non-executive Director and deputy general manager of our Company. He was appointed as a Director on 28 December 2011 and was redesignated as a non-executive Director on 19 July 2024. He is primarily responsible for providing strategic advice on the development of our Group. He joined our Company in December 2011 and served as a director of our Company from December 2011 to April 2018, and as a senior manager of investment securities department of our Company from May 2018 to January 2022.

During the period from May 2003 to May 2018, he consecutively served as director, supervisor and deputy general manager of Jiangsu Shuangdeng, a company engaged in house rental, and he was responsible for the overall management.

Prior to 2011, Mr. Qian served as a director of Jiangsu Shuangdeng Power Supply Co., Ltd. (江蘇雙登電源有限公司), a company engaged in power supply, and he was responsible for overall management.

Directors, Supervisors and Senior Management (Continued)



Mr. Qian obtained his vocational diploma in industrial enterprise management from Yangzhou University of Technology (揚州工學院) (now known as Yangzhou University (揚州大學)) in the PRC in October 1992. He further completed his postgraduate course in Modern Enterprise Management and Decision Making from Nanjing University (南京大學) in the PRC in July 2001.

Save as disclosed above, Mr. Qian has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Independent Non-executive Directors

Dr. Yin Junming (殷俊明), aged 53, is an independent non-executive Director of our Company. He was appointed as an independent non-executive Director on 15 June 2020. He is primarily responsible for providing independent advice and judgment to our Board.

Prior to joining our Group, Dr. Yin worked as an associate professor of Zhengzhou Sias University (鄭州西亞斯學院) (formerly known as Zhengzhou University Sias International College (鄭州大學西亞斯國際學院)) from 2003 to 2006, and he was responsible for research on accounting teaching. In addition, he served as a professor of School of Accounting, Nanjing Audit University (南京審計大學會計學院) from 2009 to 2022, and he was responsible for research on accounting teaching. He has been serving as a professor of Business School of Nanjing University of Information Technology (南京信息工程大學商學院) since 2023, and he is responsible for research on accounting teaching.

Dr. Yin also has experience of serving as independent directors for various companies, including: (i) Jiangsu Canlon Building Materials Co., Ltd. (江蘇凱倫建材股份有限公司), a company engaged in waterproofing materials and listed on the Shenzhen Stock Exchange (stock code: 300715.SZ), from December 2017 to December 2023; (ii) Anhui Shenjian New Materials Co., Ltd (安徽神劍新材料股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002361.SZ), since January 2020; (iii) Suning Universal Co., Ltd. (蘇寧環球集團有限公司), a company engaged in commercial service and listed on the Shanghai Stock Exchange (stock code: 000718.SH), from October 2020 to October 2023; (iv) Everbright Securities Company Limited (光大證券股份有限公司), a company engaged in corporate finance and listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange (stock code: 6178.HK and 601788.SH), since December 2020; and (v) Jiangsu Rugao Rural Commercial Bank Co., Ltd (江蘇如皋農村商業銀行股份有限公司), a commercial bank in the PRC, since December 2023.

Dr. Yin obtained his associate degree in pressure processing from Chongqing Iron and Steel Vocational School (重慶鋼鐵專科學校) in the PRC in July 1993. He further obtained his master of accounting degree from East China Jiaotong University (華東交通大學) in the PRC in June 2000. He obtained his doctoral of accounting from Xi'an Jiaotong University (西安交通大學) in the PRC in December 2006.

Save as disclosed above, Dr. Yin has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.



Directors, Supervisors and Senior Management (Continued)



Dr. Wang Jin (王進), aged 59, is an independent non-executive Director of our Company. He was appointed as a Director on 12 June 2024 and re-designated as an independent non-executive Director on 19 July 2024. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Wang Jin has been serving as a legal representative of Beijing Guohe Intelligent Energy Technology Research Institute Co., Ltd. (北京國合智慧能源技術研究院有限公司) since 2015, a president of Guohe Intercontinental Energy Consulting Institute (國合洲際能源諮詢(北京)院) since October 2016, an executive vice chairman of the New Energy International Investment Alliance (新能源國際投資聯盟) since June 2018.

Dr. Wang Jin also has experience of serving as independent directors for various listed companies, including: (i) CECEP Solar Energy Co., Ltd (中節能太陽能股份有限公司), a company engaged in solar energy and listed on the Shenzhen Stock Exchange (stock code: 000591.SZ), from March 2016 to May 2021; (ii) Tongwei Co., Ltd. (通威股份有限公司), a company engaged in new energy and listed on the Shanghai Stock Exchange (stock code: 600438.SH), from May 2016 to May 2022; (iii) Elion Clean Energy Company Limited (億利潔能股份有限公司), a company engaged in new energy and listed on the Shanghai Stock Exchange (stock code: 600277.SH), since March 2021; and (iv) Chengdu Guibao Science & Technology Co., Ltd. (成都矽寶科技股份有限公司), a company engaged in rubber production and listed on the Shenzhen Stock Exchange (stock code: 300019.SZ), since April 2022.

Dr. Wang Jin obtained his master degree in economics from Renmin University of China (中國人民大學) in the PRC in October 1989. He further obtained his doctor of philosophy degree from Emory University in the USA in August 2001.

Save as disclosed above, Dr. Wang Jin has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Dr. Wang Xi (王熹), aged 36, is an independent non-executive Director of our Company. She was appointed as a Director on 12 June 2024 and re-designated as an independent non-executive Director on 19 July 2024. She is responsible for providing independent advice and judgment to our Board.

Dr. Wang Xi has extensive experience in accounting and financing. She served as an assistant professor of school of accountancy at the Chinese University of Hong Kong from July 2017 to June 2024 and she was responsible for researching related works. She has been serving as an assistant professor of school of accounting and finance at the Hong Kong Polytechnic University since July 2024 and she is responsible for researching related works.

Dr. Wang Xi received school of accountancy teaching awards from 2017 to 2018 and from 2020 to 2021 from the Chinese University of Hong Kong. She also received the faculty teaching merit award in the year of 2017, 2018, 2019, 2021 and 2022.

Dr. Wang Xi obtained her bachelor degree of business administration in accounting and finance and completed all requirements for a second major in applied mathematics from Emory University in the USA in May 2012. She further obtained her doctor of philosophy degree from University of Florida in the USA in August 2017.

Save as disclosed above, Dr. Wang Xi has no other relationship with any other Directors, Supervisors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.



SENIOR MANAGEMENT

Dr. Yang Rui (楊銳) is the chairman of the Board, executive Director and chief executive officer of our Company. For details, please refer to the paragraph headed “Directors, Supervisors and senior management – Directors – Executive Directors” above.

Dr. Yang Baofeng (楊寶峰) is an executive Director and a deputy general manager of our Company. For details, please refer to the paragraph headed “Directors, Supervisors and senior management – Directors – Executive Directors” above.

Ms. He Rong (賀蓉) is an executive Director, chief financial officer, secretary of the Board and joint company secretary of our Company. For details, please refer to the paragraph headed “Directors, Supervisors and senior management – Directors – Executive Directors” above.

Mr. Qian Youwang (錢友綱), aged 60, is deputy general manager of our Company. He joined our Group in December 2011 and he has been working as a deputy general manager since then. He is responsible for the management of lead-acid and lithium battery production bases, and in charge of the Group’s quality control.

Mr. Qian has consecutively held several positions in our Group. He worked as a director and general manager to Shuangdeng Front since May 2018, and as a director of Shuangdeng Energy Storage since December 2022.

Prior to joining our Group, he worked as an assistant to the general manager of Jiangsu Shuangdeng from January 2008 to December 2008, and promoted as a deputy general manager from January 2009 to December 2011, and he was responsible for overall quality management.

Mr. Qian obtained his diploma in military journalism and public opinion communication from Nanjing University of Political Science (南京政治學院) (now known as Political Science College of National Defense University of the People’s Liberation Army of China (中國人民解放軍國防大學政治學院)) in the PRC in June 2013. He further obtained his master of business administration degree from Xiamen University (廈門大學) in the PRC in September 2015.

Save as disclosed above, Mr. Qian has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules), nor has any directorships in other listed companies in the past three years.





SUPERVISORY COMMITTEE

Supervisors

During the Reporting Period and up to the date of this annual report, our Supervisory Committee consists of three Supervisors. The establishment of the Supervisory Board is proposed to be abolished in the Annual General Meeting (26 May 2026) and the original duties will be performed by the Audit Committee. More details will be provided in the poll result announcements to be published upon the conclusion of the Annual General Meeting.

Mr. Lou Zhiqiang (樓志強), aged 42, is a chairman of Supervisory Committee and technical director of the technical center. He joined our Company in August 2012 and served as a technical assistant and then as a technical manager from August 2012 to December 2017, and was appointed as a chairman of Supervisory Committee in April 27, 2023. He has also been working as a technical director of the technical center of our Company since January 2018. He is primarily responsible for supervising the performance of our Directors and the senior management and overseeing the affairs of our Supervisory Committee and product development.

Prior to joining our Group, he worked as a technical manager of Jiangsu Shuangdeng, and he was responsible for technical research and development related works from January 2010 to July 2012.

Mr. Lou has received multiple masterpieces awards from government departments, including: (i) the first prize for scientific and technological progress (科學技術進步一等獎) awarded by the People's Government of Jiangyan City (姜堰市人民政府) in December 2011; (ii) the second prize for scientific and technological progress (科學技術進步二等獎) by the Taizhou City Municipal People's Government (泰州市人民政府) in February 2013; (iii) third prize in science and technology (科學技術獎三等獎) by the People's Government of Jiangsu Province (江蘇省人民政府) in January 2014; (iv) the first prize for scientific and technological progress (科學技術進步一等獎) awarded by the China Light Industry Federation (中國輕工業聯合會) three times in March 2014, February 2017, and January 2020; (v) a 311 high-level talent (311高層次人才) in Taizhou City in July 2014; and (vi) the title of Outstanding Contribution Young Expert (In 2020 (2020年突出貢獻中青年專家稱號) by the Taizhou City Municipal People's Government (泰州市人民政府) in March 2021.

Mr. Lou obtained his bachelor of chemical engineering and process degree from Harbin Engineering University (哈爾濱工程大學) in the PRC in July 2005. He further obtained his master of business administration degree from Nanjing University of Science and Technology (南京理工大學) in the PRC in January 2015. In addition, Mr. Lou is currently pursuing a doctoral degree in materials science and engineering at Beijing University of Chemical Technology (北京化工大學) in the PRC since September 2021.

Save as disclosed above, Mr. Lou has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Directors, Supervisors and Senior Management (Continued)



Ms. Sun Caiyun (孫彩雲), aged 42, is a supervisor and deputy general manager of manufacturing and delivery center. She joined our Company as a director of president office in March 2013 and was appointed as a supervisor in May 28, 2021. She is primarily responsible for supervising the performance of our Directors and the senior management and overseeing the affairs of our Supervisory Committee and operational planning, warehousing, shipping, AEO customs compliance, and other related works.

Ms. Sun has consecutively held several positions in our Group. She worked as a director of the president's office of our Company from March 2013 to November 2015, as a director of Shuangdeng Front from December 2015 to May 2018, a director of Shuangdeng Cable from December 2015 to May 2018. Since December 2015, Ms. Sun has consecutively served as a director of the president's office, deputy general manager of the international marketing department, deputy general manager of the planning and operations department, and deputy general manager of the manufacturing and delivery center of our Company.

Prior to joining our Group, she worked as an officer of Jiangsu Shuangdeng from January 2007 to December 2007, promoted as a manager of securities department from December 2007 to November 2010 and as a director of president office from December 2010 to February 2013, and she was responsible for securities overall management.

Ms. Sun obtained her bachelor of English degree from Huaiyin Normal University (淮陰師範學院) in the PRC in June 2006.

Save as disclosed above, Ms. Sun has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Mr. Huang Xuegong (黃學工), aged 46, is an employee representative supervisor and deputy general manager of quality department. He joined our Group as a deputy general manager of manufacturing department in December 2011 and was appointed as an employee representative supervisor in April 30, 2018. He is primarily responsible for supervising the performance of our Directors and the senior management and overseeing the affairs of our Supervisory Committee and the implementation and operation of environmental laws and regulations, outsourcing of environmental management, and environmental supervision of various production lines.

Mr. Huang has consecutively held several positions in our Group. He worked as a deputy manager of manufacturing department from December 2011 to December 2020, as a deputy general manager of the intelligence department from January 2021 to December 2021, and as a deputy general manager of quality department since January 2021.

Prior to joining our Group, he worked as an assembly workshop worker of Jiangsu Shuangdeng and promoted to an inspector from June 2004 to June 2008 and then promoted to a safety and environmental supervisor from July 2008 to November 2011.

Mr. Huang obtained his associate diploma in marketing from Yangzhou University through remote learning in the PRC in July 2002. He further obtained his bachelor of mechanical design and manufacturing and automation degree from Jiangsu University (江蘇大學) through remote learning in the PRC in July 2017.

Save as disclosed above, Mr. Huang has no other relationship with any Directors, Supervisors, other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).





JOINT COMPANY SECRETARIES

Ms. He Rong (賀蓉) was appointed as one of our joint company secretaries on 19 July 2024. Ms. He is an executive Director, chief financial officer and secretary of the Board of our Company. For details, please refer to the paragraph headed “Directors, Supervisors and senior management – Directors – Executive Directors” above.

Mr. Tam Ka Lung (譚家龍), graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration in Accounting. Mr. Tam is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tam has over 20 years’ experience in auditing, financial management, company secretary and corporate governance, merger and acquisitions and IPO. He is currently the company secretary/joint company secretary of two companies listed on the Stock Exchange. He is currently the director of Danok Corporate Services Limited.

CHANGES TO DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE’S INFORMATION

There are no information of the Directors, supervisors and chief executive’s during the financial year ended 31 December 2025 and up to the date of this annual report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Positions Held in the Group

Save as disclosed above, there is no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at 31 December 2025 and up to the date of this annual report.

Report of Directors



The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the Reporting Period.

General Information

The Company was established as a joint stock company with limited liability in the PRC on 28 December 2011. The Shares were listed on the Main Board of the Stock Exchange on 26 August 2025.

Principal Activities

The Group is a leading company in energy storage business for big-data and telecommunication industries.

The Group focuses on the design, R&D, manufacturing, and sales of energy storage batteries and systems.

Use of Proceeds from Listing

The Company was listed on the Main Board on 26 August 2025 and the net proceeds raised during the IPO amounted to approximately HK\$886.09 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. As at 31 December 2025, the Group had utilised the proceeds as set out in the table below:

	Percentage %	Net proceeds from the IPO (HK\$ in millions)	Utilization during the Reporting Year (HK\$ in millions)	Unutilized amount as at 31 December 2025 (HK\$ in millions)	Remaining amount (HK\$ in millions)	Expected timetable for the fully utilizing of unutilized proceeds ⁽¹⁾
Construction of a lithium-ion batteries production facility in Southeast Asia (construction costs of the main production plant(s) and ancillary infrastructures, purchase and installation of production equipment and software, recruitment of employees, and trial productions and other early-stage expenses)	40.0	354.44	–	354.44	354.44	By December 2027
Establishment of a new research and development center (construction of the R&D center, acquisition of equipment and software, recruitment of R&D staff, and execution of research projects)	35.0	310.13	–	310.13	310.13	By December 2027
Strengthen the overseas sales and marketing (rent for overseas offices, recruitment of sales and marketing staff, and promotional activities)	15.0	132.91	–	132.91	132.91	By December 2027
Provide funding for working capital and other general corporate purposes	10.0	88.61	–	88.61	88.61	By December 2027
Total	100.0	886.09	–	886.09	886.09	



Report of Directors (Continued)



Note:

1. The expected timeline for the utilization of unutilized net proceeds set out in the table above represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments.

The Company has placed the unutilized net proceeds in interest-bearing accounts of licensed commercial banks or financial institutions in China or Hong Kong. The Company will comply with the laws of China in relation to foreign exchange registration and remittance of the proceeds.

For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Save as disclosed in the above, there was no other issue of equity securities (including securities convertible into equity securities) or sale of treasury shares (as defined under the Listing Rules) for cash during the Reporting Period.

Business Review

A fair review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the "Chairman's Statement" and the "Management Discussion and Analysis" sections of this annual report. Particulars of important events affecting the Group that have occurred during the Reporting Period are included in the abovementioned sections. Also, the financial risk management objectives and policies of the Group can be found in Note 42 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Management Discussion and Analysis" and "Five-Year Financial Summary" sections of this annual report. Description of principal risks and uncertainties that the Group may be facing can be found in the "Chairman's Statement", "Management Discussion and Analysis" and "Principal Risks and Uncertainties" sections of this annual report.

In addition, discussions on the Group's environmental policies and performance, including compliance with the relevant laws and regulations that have a significant impact on the Group, and relationships with its key stakeholders (including employees, customers and suppliers and others) are included in the section headed "Major Customers and Suppliers" in this annual report as well as in the "ESG Report" and the "Corporate Governance Report" contained in this annual report. All the review, discussions and analysis mentioned above form part of this annual report.

Results

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income in of this annual report.

The Directors recommend the payment of a final dividend of RMB0.12 per share for the year ended 31 December 2025 to the shareholders, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

There was no arrangement under which any Shareholder has waived or agreed to waive any dividend during the Reporting Period.



Principal Risks and Uncertainties

The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control:

- We may not be able to derive the desired benefits from our research and development efforts, and keep up with the latest technological development and industry trends
- We operate in a competitive industry and many of our competitors may be more established, resourceful or adaptive
- We are exposed to price fluctuations of raw materials
- Average selling price of our products may face downward pressure because of decline in raw material prices and decreasing trend of market prices of batteries
- Our business, financial condition and results of operations may be subject to adverse effect from the risk of customer concentration
- We may not be able to increase our production capacity as planned
- Reduction, modification, delay or elimination of government grants and other economic incentives
- Credit risk of our customers and prolonged cash conversion cycle
- Uncertainty as to tender success rate
- Unsatisfactory performance of or defects in products
- We may not continue to be successful in developing and maintaining a cost-effective battery manufacturing capability
- Technological changes in the energy storage industry may bring about new and effective energy storage products, rendering our inventories, products in production or under R&D uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated despite our best efforts in R&D
- Our business is capital intensive, and the sources of our future financing can be uncertain
- We manufacture our products in certain provinces in China and may deliver them to various customer designated locations, and we outsource the delivery of our products to logistics providers, which exposes us to various risks relating to long-distance transportation of our energy storage products
- Delays and/or failures in obtaining and renewing relevant PRC or overseas governmental approvals, licenses, permits or others required for our new construction/expansion projects
- International policies and international export controls and economic sanctions
- Legal or other proceedings arising out of our operations
- Dependence on a limited number of suppliers and vulnerability to supply chain issues
- Costs, from paying damages, or providing replacements or refund, because of the warranties we provide for our products
- Government policies towards energy storage batteries





Share Capital and Shares Issued

Details of movements in the share capital of the Group for the Reporting Period and details of the Shares issued (including selling treasury shares) during the Reporting Period are set out in Note 31 to the consolidated financial statements. During the year ended 31 December 2025, the Group did not hold or sell any treasury Shares.

Reserves

As at 31 December 2025, the Company had distributable reserves amounting to RMB1,523.5 (2024: RMB1,350.0). Details of movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and in Note 32 to the consolidated financial statements, respectively.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 13 to the consolidated financial statements.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

Debenture Issued

The Group did not issue any debenture during the Reporting Period.

Bank Loans and Other Borrowings

As at 31 December 2025, the Group had bank borrowings of RMB942.8 million (31 December 2024: RMB928.7 million), all of which were interest-bearing. Except for borrowings of RMB212.6 million which mature after one year, all bank borrowings of the Group are repayable within one year. The Group's borrowings were denominated in RMB and US dollars with effective interest rates ranging from 2.10% to 3.67% as of 31 December 2025 (31 December 2024: 2.30% to 4.80%).

Most of the Group's bank borrowings are secured by pledges of certain of the Group's assets, including property, plant and equipment, leasehold land, time deposits and trade receivables.

The Group continues to adopt a prudent treasury policy and has been regularly and closely monitoring its funding costs and loan maturity profile so as to facilitate refinancing whenever appropriate.

Donations

Please refer to the section headed "Community Development" of the Company's ESG report for details of charitable donations made by the Group.

Financial Summary

A summary of the audited consolidated results, assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements, is set out on page 162 of this annual report. This summary does not form part of the audited consolidated financial statements.



Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) since the Listing Date and up to the date of this annual report. As at 31 December 2025, the Group did not hold or sell any treasury shares.

Employees and Remuneration Policy

As of 31 December 2025, the Group had 2,318 employees. During the Reporting Year, employee benefit expenses (including Directors' remuneration), consisting of salaries and wages, bonuses, equity-settled share option expenses, and pension scheme contributions, totalled RMB351.8 million (for the year ended 31 December 2024: RMB379.4 million). The remuneration packages of the Group's employees, which include salaries and bonuses, are generally determined based on their qualifications, industry experience, positions, and performance. The Group continued to improve employee promotion policy and career development channels, and provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth.

The Group has established the following share schemes for selected participants to encourage and reward their contributions to the Group. The Group also operates the Mandatory Provident Fund scheme and a local retirement benefit scheme. The Group encourages employees to pursue training to enhance their work skills and personal development. The Group also provides workshops of varying levels to enhance their occupational safety knowledge and foster team spirit. Employee rewards are determined by the Group's overall results and performance and individual performance and contributions of employees.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Share Schemes

As at the date of this annual report, the Company has the following Pre-IPO Employee Incentive Schemes.

Pre-IPO Employee Incentive Schemes

The following is a summary of the principal terms of the Employee Incentive Schemes approved and adopted by our Shareholders' meeting in June 2019 and in December 2022, respectively and as amend from time to time (collectively, the "Schemes"). The terms of the Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as the Schemes does not involve the grant of options by our Company after the Listing. Given the underlying Shares under the Employee Incentive Schemes had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Employee Incentive Schemes.

As of the date of this annual report, the Company had established two Employee Incentive Platforms, namely Taizhou Heying and Taizhou Hexin. Each of Taizhou Heying and Taizhou Hexin holds 19,000,000 Shares and 13,600,000 Shares directly, respectively.



Report of Directors (Continued)



(a) Purpose

The purpose of the Schemes is to build an incentive mechanism for the employees of our Company, raising the competitiveness of our Company in the labour market. The Schemes also serve the purpose of attracting, stabilizing and recruiting future senior management and professionals.

(b) Participants

Pursuant to the scheme documents (the “Scheme Documents”) and the award offers (the “Award Offers”), participants of the Schemes include our Directors, Group’s core employees, senior management members and employees who had great contribution to the development of our Company. The Scheme Documents provided that the following employees may not be selected as participants to the Schemes (as applicable):

- Employees have terminated the employment relationship with the Group prior to expiration of service period (60 months from the respective grant date);
- Employees who have convicted of crime;
- Employees who have misconducted or commit damage to our Company’s interest;
- Employees who have misappropriated, stole and revealed our Company’s technology and secrets or made investment in competitors; and
- Employees who are otherwise not eligible according to the discretionary decision by the Board.

(c) Grant of Awards

The general partner of each of Taizhou Heying and Taizhou Hexin is Taizhou Hechuang, the general partner of which is Taizhou Hanfu (wholly owned by Mr. Yang). Thus, in effect, all management powers and voting rights of the Employee Incentive Platforms reside with Taizhou Hechuang, indirectly, Mr. Yang. All selected participants do not have any voting rights in our Company. The selected participants will be granted awards in the form of economic interest in the Employee Incentive Platforms conditional upon certain conditions as specified in Scheme Documents and the Award Offers and upon completion of payment with respective amount of exercise price, such selected participants will become a limited partner of Taizhou Heying or Taizhou Hexin.

Having comprehensively considered various factors such as position, number of years employed at our Company, salary and contribution to our Company, the Board determines the identities of the participants (the “Participants”), the amount of awards and subscription price of the awards. The Participants then sign an equity incentive agreement with the Company (if any), contribute the corresponding subscription price to the relevant Employee Incentive Platforms as capital contributions, and sign a partnership agreement with the other partners of the relevant Employee Incentive Platforms.

(d) Administration of the Schemes

Pursuant to the Schemes, Shareholders are responsible for approving the implementation, alteration and termination of the Schemes. Our Board is responsible for daily management of the Schemes, including, selection of Participants, number of awards to be granted, exercise price, and the execution and interpretation of the Schemes.

Report of Directors (Continued)



(e) Disposals

Pursuant to the terms of the Scheme Documents, unless otherwise required by the CSRC or the Stock Exchange, the selected participants shall be subject to a lock-up period of 36 months.

After the Company is listed and the lock-up period of the awards expires with more than two third partnership interest of the Employee Incentive Platforms mutually agreed, the Employee Incentive Platforms will reduce its equity interests in our Company. The Participants may request to reduce their shareholdings according to the relative shareholding ratio, and the consideration (after deduction of costs, transaction fees and taxes) from such sales of equity interest in our Company will be distributed to the Participants. The awards under the Employee Incentive Platforms have been fully granted and all grantees have paid respective amount of exercise price.

Further details of the Schemes are set out in the Prospectus and note 33 to the consolidated financial statements.

Equity-Linked Agreements

No equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

Directors

The Directors who held office during the Reporting Period and up to the date of this annual report are:

Executive Director

Dr. Yang Rui (*Chairman of the Board, executive Director and chief executive office*)

Dr. Yang Baofeng

Ms. He Rong

Non-Executive Director

Mr. Qian Shan'gao

Independent Non-Executive Directors

Dr. Yin Junming

Dr. Wang Jin

Dr. Wang Xi

Board of Directors

Biographical details of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report.





Directors' and Supervisors' Service Contracts

Each of our Directors and Supervisors has entered into a service contract with our Company. The principal particulars of these service contracts 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 Shareholders' approval.

None of our Directors and Supervisors 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).

Directors' and Supervisors Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in the Note 38 to the consolidated financial statements, none of the Directors, Supervisors nor any entity connected with the Directors and Supervisors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

Permitted Indemnity

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director and Supervisors shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by the execution of he/she duty in their offices or otherwise in relation thereto. A permitted indemnity provision as required by the Companies Ordinance is currently in force and was in force for the benefit of the Directors and Supervisors throughout the year ended 31 December 2025.

The Company has arranged appropriate insurance cover for the Directors in connection with the discharge of their responsibilities.

Management Contracts

Save for service contracts of the Directors, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into by the Company or existed during the Reporting Period.

Interests and Short Positions of Directors and Chief Executives in Shares, Underlying Shares and Debentures

Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable to the Directors, Supervisors and chief executives of the Company until the Listing Date. As at 31 December 2025, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange; or which would be required to be registered in the register to be kept pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at 31 December 2025, to the best of knowledge of the Directors, the following persons (other than the Directors, Supervisors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which would be required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of interest	Description of Shares	Number and type of Shares held	Approximate percentage of shareholding in the relevant type of Share ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company ⁽²⁾	Long position/ short position/ lending pool
Shuangdeng Investment ⁽²⁾	Beneficial owner	Unlisted Shares H Shares	98,630,000 10,960,000	35.89 7.26	25.74	Long position
Ms. Qian Wuzhen (錢五珍) ⁽²⁾	Beneficial owner	Unlisted Shares H Shares	98,630,000 10,960,000	35.89 7.26	25.74	Long position
Taizhou Heying ⁽²⁾	Beneficial owner	Unlisted Shares	19,000,000	6.91	4.46	Long position
Taizhou Hechuang ⁽²⁾	Interest in controlled corporations	Unlisted Shares	32,600,000	11.86	7.65	Long position
Taizhou Hanfu	Interest in controlled corporations	Unlisted Shares	32,600,000	11.86	7.65	Long position
Mr. Yang Shanji (楊善基) ⁽²⁾	Beneficial owner Interest in controlled corporations	Unlisted Shares Unlisted Shares H Shares	138,310,000 131,230,000 10,960,000	50.33 47.75 7.26	65.90	Long position
Zaoyang Fund ⁽³⁾	Beneficial owner	H Shares	22,000,000	14.58	5.16	Long position
Hubei Gaotou Huimeng Entrepreneurship Investment Management Co., Ltd. (湖北高投匯盟創業投資管理有限公司) ("Hubei Gaotou") ⁽³⁾	Interest in controlled corporations	H Shares	22,000,000	14.58	5.16	Long position
Hubei Provincial HIGH Technology Industry Investment Co., Ltd. (湖北省高新產業投資集團有限公司) ("Hubei Technology") ⁽³⁾	Interest in controlled corporations	H Shares	22,000,000	14.58	5.16	Long position
Sanshui Venture Capital Co., Limited	Beneficial owner	H Shares	16,453,500	10.90	3.86	Long position

Report of Directors (Continued)



Name of Shareholder	Nature of interest	Description of Shares	Number and type of Shares held	Approximate percentage of shareholding in the relevant type of Share ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company ⁽²⁾	Long position/ short position/ lending pool
Taizhou Sanshui Investment Development Co., Ltd. (泰州三水投資開發有限公司)	Interest in controlled corporations	H Shares	16,453,500	10.90	3.86	Long position
Mr. Qian Bingqing (錢冰清)	Beneficial owner	H Shares	12,000,000	7.95	2.82	Long position
Mr. Zhu Shiping (祝士平)	Beneficial owner	H Shares	12,000,000	7.95	2.82	Long position
Mr. Zhou Yuezhong (周躍章)	Beneficial owner	H Shares	12,000,000	7.95	2.82	Long position
JPMorgan Chase & Co.	Beneficial owner	H Shares	2,430,500	1.61	0.57	Long position
	Person having a security interest in shares	H Shares	1,795,069	1.19 ⁽⁴⁾	0.42	Short position
			6,308,500	4.18	1.48	Long position

Notes:

- (1) As at 31 December 2025, the Company had issued a total of 425,609,500 Shares. The calculation is based on the total number of 274,773,300 Unlisted Shares and 150,836,200 H Shares in issue.
- (2) As at 31 December 2025, (i) Shuangdeng Investment is owned as to 80% and 20% by Mr. Yang Shanji and Ms. Qian Wuzhen (spouse of Mr. Yang Shanji), respectively; (ii) Taizhou Hanfu, wholly owned by Mr. Yang Shanji, is the general partner of Taizhou Hechuang and is responsible for the management of Taizhou Hechuang; (iii) Taizhou Hechuang is the general partner of each of Taizhou Heying and Taizhou Hexin and is responsible for the management of Taizhou Heying and Taizhou Hexin. As such, (i) each of Taizhou Hanfu and Taizhou Hechuang is deemed to be interested in the Shares held by Taizhou Heying and Taizhou Hexin; (ii) Mr. Yang Shanji is deemed to be interested in the Shares held by Shuangdeng Investment, Taizhou Heying and Hexin; (iii) Ms. Qian Wuzhen is deemed to be interested in the Shares held by Shuangdeng Investment.
- (3) As at 31 December 2025, Hubei Gaotou, wholly owned by Hubei Technology, is the general partner of Zaoyang Fund and is responsible for the management of Zaoyang Fund. As such, each of Hubei Gaotou and Hubei Technology is deemed to be interested in the Shares held by Zaoyang Fund.
- (4) Among the interests, 1,795,069 (S) is unlisted derivatives – cash settled.

Save as disclosed above, as at 31 December 2025, to the best of the Directors' knowledge, no other person (other than the Directors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept under Section 336 of the SFO.

Report of Directors (Continued)



Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Controlling Shareholders' and Directors' Interests in Competing Business

During the year ended 31 December 2025, neither our Controlling Shareholders nor any of our Directors had 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, which would require disclosure under Rule 8.10 of the Listing Rules. The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the Articles of Association and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company.

Final Dividend

The Directors recommend the payment of a final dividend of RMB0.12 per share for the year ended 31 December 2025 to the shareholders, subject to the approval of the shareholders of the Company at the forthcoming 2025 annual general meeting. The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

Contracts with Controlling Shareholders

Save as disclosed in the sections headed "Continuing Connected Transactions" below and Note 38 to the consolidated financial statements in relation to the related party transactions of the Group during the Reporting Period, no contract of significance, or contract of significance for the provision of services, between the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries has been entered into during the Reporting Period or subsisted as at the end of the Reporting Period.

Corporate Governance

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Details about the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" contained in this annual report.





Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this annual report regarding the Share Option Scheme, at no time during the Reporting Period was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

As at the date of this report, the Board of the Company comprises Dr. YANG Rui (楊銳), Dr. YANG Baofeng (楊寶峰) and Ms. HE Rong (賀蓉) as executive directors, Mr. QIAN Shangao (錢善高) as non-executive director, and Dr. YIN Junming (殷俊明), Dr. WANG Jin (王進) and Dr. WANG Xi (王熹) as independent non-executive directors.

RELATED PARTY TRANSACTIONS

A summary of all significant transactions with related parties (the "Related Party Transactions") entered into by the Group during the Reporting Period is contained in Note 38 to the consolidated financial statements. Save as mentioned in the section headed "Continuing Connected Transactions" set out in the section headed "Management Discussion and Analysis" of this annual report, other connected transactions are fully exempted from the independent shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules.

Major Customers and Suppliers

Major Customers

Leveraging our broad product portfolio featuring various technological specifications designed to serve diverse application scenarios and stringent customers' demands, as well as our rich industry experience and technological capability to capture and solve evolving practical challenges that our customers may encounter in their energy storage needs, we have established and retained long-term relationship with customers with leading industry positions in China and overseas.

The major customers of our energy storage batteries used for telecom base stations are leading telecom operators and equipment manufacturers. The major customers of our energy storage batteries used for data centers are data center operators. The major customers of our energy storage batteries used for electrical energy storage settings are power stations, power grids, commercial and household users.

The sales to the Group's five largest customers accounted for approximately 32.3% (2024: 38.4%) of the Group's revenue in the year ended 31 December 2025. The Group's largest customer accounted for approximately 8.1% (2024: 13.1%) of the Group's revenue for the year ended 31 December 2025.

Major Suppliers

We purchase almost all of our raw materials and key components from third-party suppliers in China, including lithium iron phosphate, lead alloy, and lead ingots. We have established stable relationships with our suppliers, enabling us to secure a consistent supply of raw materials at competitive prices. This helps ensure our ability to produce and deliver high quality products on time, meeting the needs of our customers.

For the Reporting Period, purchases from the Group's five largest suppliers accounted for approximately 44.2% (2024: 47.9%) of the Group's total purchase amount in the same year. The Group's largest supplier for the Reporting Period accounted for approximately 22.8% (2024: 20.6%) of the Group's total purchase amount for the same year.

During the Reporting Period, none of the Directors, Supervisors their respective close associates, or any Shareholders who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers or customers.



Auditor

The consolidated financial statements of the Group have been audited by Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment at the Annual General Meeting. There is no change in its auditors since the Listing Date.

Important Events After the Reporting Period

From 1 January 2026 and up to the date of this annual report, there was no important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders.

Convertible Securities, Options, Warrants or Similar Rights

Save for the share awards granted as disclosed under the section headed "Share Schemes" in this annual report, for the year ended 31 December 2025, no other convertible securities, options, warrants or similar rights were issued or granted by the Company or any of its subsidiaries or were exercised. As at 31 December 2025, save for the outstanding share awards as disclosed under the section headed "Share Schemes" in this annual report, no convertible securities, options, warrants or similar rights remained outstanding.

Loan Arrangements Granted to Entities

For the year ended 31 December 2025, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 and Rule 13.20 of the Listing Rules.

Breach of Loan Agreements

For the year ended 31 December 2025, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

Financial Assistance and Guarantees to Affiliated Companies

For the year ended 31 December 2025, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure under Rules 13.16 and 13.22 of the Listing Rules.

Pledge of Shares by the Controlling Shareholders

For the year ended 31 December 2025, each of the Controlling Shareholder has not pledged all or part of its interest in the Shares to secure the Group's debts or to secure guarantees or other support of its obligations which is subject to disclosure under Rule 13.17 of the Listing Rules.

Loan Agreements with Covenants Relating to Specific Performance of the Controlling Shareholders

For the year ended 31 December 2025, there is no loan agreement with covenants relating to specific performance of the controlling shareholders, which is subject to disclosure under Rule 13.18 of the Listing Rules.





Guarantee Regarding the Financial Performance of a Company or Business Acquired

For the year ended 31 December 2025 and as at the end of the Reporting Period, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

Environmental Policies and Performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth. The Directors are not aware of any material non-compliance with the environmental laws and regulations during the year ended 31 December 2025. Further information on the Group's environmental policy and performance will be set out in the "Environmental, Social and Governance Report" to be published on the same date as this report.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors since the Listing Date and up to 31 December 2025, the Company has maintained at least 15% of the total number of issued shares in that class of shares (excluding treasury shares) of the Company and maintained the public float under rule 8.08 (as supplemented by rule 19A.13A) of the Listing Rules.

As at 31 December 2025 (as at the end of the financial year to which this Annual Report relates), the percentage of the public float is 30.05%.

As at 31 December 2025, the Company had 274,773,300 Unlisted Shares and 150,836,200 H Shares in issue.

As at 31 December 2025, HKSCC Nominees Limited was the registered holder of 150,594,699 H Shares, representing approximately 99.83% of all H Shares in issue.



Shareholdings of the top 5 holders of tradeable H Shares

Name of holders	Number of H Shares held as at the end of the Reporting Period	Percentage as at the end of the Reporting Period	
		In total share capital (Approximate %)	In relevant class of Shares (Approximate %)
China Securities Depository and Clearing Corporation Limited	83,495,700	19.62	55.35
Huatai Financial Holdings Limited	24,437,500	5.74	16.20
The Hongkong and Shanghai Banking Corporation Limited	13,754,300	3.23	8.99
Futu Securities International (Hong Kong) Limited	4,203,439	0.99	2.78
Bank of China (Hong Kong) Limited	3,005,500	0.71	1.99

Note: Please refer to the section headed "Report of Directors – Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares" for the respective numbers of Unlisted Shares and H Shares in which persons are deemed to have interests pursuant to Part XV of the SFO.

Since the Listing Date and up to 31 December 2025, the Company did not rely on any alternative threshold as defined under rule 19A.28A of the Listing Rules.

Closure of Register of Members

In order to determine the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026, both dates inclusive, during which period no transfer of shares will be registered. H Shareholders whose names appear on the register of members of the Company on Tuesday, 26 May 2026 are entitled to attend the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 May 2026.

For determining the entitlement to the proposed final dividends, the register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026, both dates inclusive, during which period no transfer of shares will be registered. The record date on which the Shareholders are qualified to receive the proposed final dividends is Wednesday, 10 June 2026. In order to be qualified for the proposed final and special dividends, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 June 2026.





Compliance with the Relevant Laws and Regulations

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

This report contains forward-looking statements relating to the business outlook, financial performance estimates, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this report. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of us. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this report should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, investors should therefore not place undue reliance on such statements.

By the Order of the Board
Dr. Yang Rui
Chairman
March 25, 2026

Corporate Governance Report



The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2025.

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules to the extent applicable.

As the Company's shares have not been listed on the Stock Exchange until the Listing Date, the CG Code was not applicable to the Company prior to the Listing Date.

From the Listing Date up to the date of this annual report, except as stated below, the Company has complied with all code provisions of the CG Code to the extent applicable save as to the deviation from Code Provision C.2.1 of the CG Code stated below.

Separation of the Roles of Chairman of the Board and CEO

Dr. Yang Rui currently serves as the Chairman of the Board and CEO of the Group. He is responsible for the Company's overall strategic planning and decision-making, execution, operations, and management. While this deviates from Code Provision C.2.1 of Part 2 of the CG Code, the Board believes that Dr. Yang's concurrent roles as the Chairman of the Board and the CEO will help ensure consistent leadership and more effective and efficient overall strategic planning for the Group. The Board, supervisors, and senior management are composed of experienced and diverse individuals, ensuring a balance of power and authority. The Board currently consists of three executive Directors, one non-executive Director, and three independent non-executive Directors. Therefore, the Board has strong independence in its composition.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

The Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors and Supervisors have confirmed, after making specific enquiries to the Directors and Supervisors that they have complied with the standards as set out in the Model Code since the Listing Date up to the date of this annual report.

Board of Directors

The Board oversees the Group's businesses, strategic decisions and performance and should make decisions objectively in the best interests of the Company. The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them. The Board recognizes the importance and benefits of conducting regular evaluation of its performance. An internal Board evaluation was conducted annually in the form of questionnaire with the aim of soliciting valuable feedback, improving the effectiveness and enhancing accountability of the Board. The scope of the evaluation focused on the composition and diversity, as well as effectiveness of the performance of the Board. The evaluation questionnaire consisted of both quantitative elements based on the ratings, as well as qualitative recommendations on any areas of improvement. The evaluation results had been presented to the Board for follow-up actions of improvement. The evaluation results indicated that the members of the Board broadly agreed that the Board had operated satisfactorily. They were also satisfied, in general, with the composition and effectiveness of the Board.



The Board has established the Group's purpose, values and strategy, and has satisfied itself that the Group's culture is aligned. Acting with integrity and leading by example, the Directors promote the desired culture to instill and continually reinforce across the Group the values of acting lawfully, ethically and responsibly. The Group has adopted anti-corruption and whistleblowing policies to provide forums for reporting issues and concerns on any misconduct, and to uphold business integrity in its operations.

The Group is committed to seeking progress while maintaining stability and strives to improve operational efficiency and strengthen the risk control measures. Effective risk control will remain as the core competitiveness and investment highlight of the Group, while the Group will strive to extend its business to upstream and downstream of the industrial chain and further explore business opportunities. A healthy corporate culture is important to good corporate governance, which is crucial for achieving sustainable long-term success of the Group.

Board Composition

Throughout the period from the Listing Date to 31 December 2025, the Board comprises seven members as follows:

Board of Directors

	Date of Appointment	Current term of appointment
Executive Directors		
Dr. Yang Rui (<i>Chairman of the Board and Chief Executive Officer</i>)	19 July 2024	3 years
Dr. Yang Boafeng	19 July 2024	3 years
Ms. He Rong	19 July 2024	3 years
Non-executive Director		
Mr. Qian Shan'gao	19 July 2024	3 years
Independent non-executive Directors		
Dr. Yin Junming	15 June 2020	3 years
Dr. Wang Jin	19 July 2024	3 years
Dr. Wang Xi	19 July 2024	3 years

Dr. Yin Junming (*Chairman*)
 Mr. Qian Shan'gao
 Dr. Wang Jin

Remuneration Committee

Dr. Wang Jin (*Chairman*)
 Dr. Yang Rui
 Dr. Yin Junming

Corporate Governance Report (Continued)



Nomination Committee

Dr. Wang Jin (*Chairman*)
Dr. Yang Rui
Dr. Yin Junming

Strategy Committee

Dr. Yang Rui (*Chairman*)
Dr. Yang Baofeng
Dr. Wang Xi

Supervisory Committee

Mr. Lou Zhiqiang
Ms. Sun Caiyun
Mr. Huang Xuegong

Each of the Directors has obtained legal advice referred to in Rule 3.09D of the Listing Rules in July 2024. Each of them has confirmed that he or she understood his or her obligations as a director of the Company.

The biographical information of the Directors and Supervisors is set out in the section headed “Directors, Supervisors and Senior Management” of this annual report. Save as disclosed therein, none of the members of the Board and Supervisory Committee is related to one another, including financial, business, family or other material/relevant relationships.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Independent View from Directors

To ensure independent views and input from any Director are available to the Board, the following mechanisms implemented in the corporate governance framework of the Company has been reviewed by the Board:



Corporate Governance Report (Continued)



Proceedings of the Board

At least 7 days' formal notice of regular Board and Board Committee meetings was given to all Directors, and all Directors were invited to include matters for discussion in the agenda.

Directors were provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information at least three business days in advance of every regular Board and Board Committee meeting, which enables full deliberation on the issues to be considered at the respective meetings.

Board decision making

During the Board and Board Committee meetings, all Directors were encouraged to freely express their independent views and inputs in an open and candid manner, provide open and objective challenges, offer informed insight and responses to the management, and contribute their knowledge of the businesses and markets in which the Group operates. Independent non-executive Directors may express their views through formal or informal channels in an open and candid manner as well as in a confidential manner. Comments and concerns raised by the Directors were closely followed up by the management.

In addition to regular Board meetings, the Chairman shall schedule an annual meeting with the independent non-executive Directors without the presence of other Directors to discuss the affairs of the Group.

The joint company secretaries of the Company prepared minutes of meetings of the Board and Board Committees to record not only the decisions reached but also any concerns raised or dissenting views expressed by Directors. The draft version of the minutes is circulated to all Directors for their comments and confirmations.

The final versions were provided to the Directors for records. Minutes of all Board and Board Committee meetings are available for Directors' inspection.

Supply of and access to information

Directors were provided with monthly reports covering highlights of the Group's major businesses, keeping them abreast of the Group's business performance and enabling them to make informed decisions in the best interests of the Company and its Shareholders. More thorough and comprehensive management and financial updates were provided to all Board members on a quarterly basis to ensure each member was aware of the Group's financial performance and position.

The Board met the management on a quarterly basis, reporting the Group's business performance, risk management, internal controls, and legal and compliance matters.

Directors also had access to the advice and services of the joint company secretaries of the Company who supported the Board, ensured proper information flow within the Board, and Board policies and procedures were followed.

To facilitate the proper discharge of Directors' duties and responsibilities, all Directors were entitled to seek advice from the joint company secretaries of the Company or inhouse legal team, as well as from independent professional advisers, at the expense of the Company, in which the joint company secretaries of the Company were responsible for making all necessary arrangements.

As such, the Board considered the Company has established the mechanism to ensure independent views and input are available to the Board, and the implementation and effectiveness of the mechanism is effective throughout the year.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.



Terms of Directors and Re-election of Directors

Code provision B.2.2 of the CG Code states that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Each of our Directors and Supervisors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms.

Under the Company's Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill a casual vacancy or as an addition to the Board shall not be taken into account in determining which Directors are to retire by rotation. The retiring Directors shall be eligible for re-election thereat.

The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Responsibilities and Accountabilities of the Directors

The Board is responsible for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors', Supervisors' and officers' liabilities in respect of any legal actions taken against Directors, Supervisors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.



Review of Board's Performance

No evaluation of the Board's performance has been conducted during the period from the Listing Date to 31 December 2025. It is currently expected the next Board performance review will be conducted after the financial year ending 31 December 2026.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. All Directors have been updated on the latest developments regarding the statutory and regulatory requirements and also the business and market changes to facilitate the performance of their responsibilities and obligations under the Listing Rules and relevant statutory requirements, and enhance their awareness of good corporate governance practices.

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills, which shall cover the following topics:

- (a) the roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness;
- (b) the Company's obligations and the Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties;
- (c) corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business);
- (d) risk management and internal controls; and
- (e) updates on industry-specific developments, business trends and strategies relevant to the Company.

The Group will organize seminars regularly to provide Directors with the latest development and changes of Listing Rules and other relevant laws and regulations in a timely manner.

The Directors confirmed that they have complied with the Listing Rules on Directors' training and have provided a record of the training they received to the Company. All Directors have participated in continuous professional development by the following means to develop and refresh their knowledge.

During the year ended 31 December 2025, Directors' participation in continuous professional development is set out in the table below:



	Types of training (Note)	Completion/ participation in continuous professional development
Dr. Yang Rui	A, B and C	Yes
Dr. Yang Baofeng	A, B and C	Yes
Ms. He Rong	A, B and C	Yes
Mr. Qian Shan'gao	A, B and C	Yes
Dr. Yin Junming	A, B and C	Yes
Dr. Wang Jin	A, B and C	Yes
Dr. Wang Xi	A, B and C	Yes

Note:

- A: Read relevant news alerts, newspapers, journals, magazines and other publications.
- B: Obtained learning resources through the Internet.
- C: Attended training sessions, including but not limited to briefings, seminars and conferences.

Board Committees

The Board has established four committees, namely, the Audit Committee, the Strategic Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the websites of the Company (<https://www.shuangdeng.com.cn/>) and the Stock Exchange (www.hkexnews.hk) and are available to the Shareholders upon request. The list of the chairman and members of each Board committee is set out under the section "Board Composition" in this Corporate Governance Report.

The list of the chairman and members of each Board committee is set out under the section "Board Composition" in this Corporate Governance Report.





Audit Committee

The main duties of the Audit Committee include:

- assisting the Board in reviewing the financial information and reporting process of the Company;
- monitoring and reviewing risk management and internal control systems of the Company through the internal audit department;
- reviewing the effectiveness of the internal audit function of the Company;
- reviewing the scope of audit and appointment of external auditor of the Company; and
- supervising internal investigation and reviewing the anti-corruption policy and system and the whistleblowing policy and systems and other arrangements for employees of the Company to raise concerns about possible improprieties in any matters related to the Company.

During the Reporting Period, the Audit Committee held 2 meetings with all members of the committee attended. The Audit Committee's work performed during the Reporting Period included: reviewing the interim results and interim report for the six months ended 30 June 2025, the significant issues on financial reporting, operational and compliance matters, risk management and internal control systems and internal audit function, terms of engagement and remuneration of external auditor, continuing connected transactions of the Group, arrangements for employees to raise concerns about possible improprieties, the anti-corruption policy and internal audit reports.

Corporate Governance Report (Continued)



Remuneration Committee

The primary functions of the Remuneration Committee include:

- reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and making recommendations to the Board on the remuneration of the non-executive Director;
- establishing transparent procedures for developing the Company's policy and structure for the remuneration of all Directors and senior management (the "Remuneration Policy"); and
- reviewing and making recommendations to the Board on the Remuneration Policy whereby (a) no individual or any of his or her associates should participate in deciding his or her own remuneration; and (b) the remuneration of the Directors and senior management is determined with reference to their expertise and experience in the industry, level of responsibility, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

The model of the Remuneration Committee described in code provision E.1.2 (c)(ii) of the CG Code has been adopted by the Company.

During the Reporting Period, the Remuneration Committee met once with all members of the committee attended. The work performed by the Remuneration Committee during the Reporting Period included: assessing the performance of Directors and reviewing the Remuneration Policy and package of the executive Directors and senior management of the Group, reviewing the remuneration of the non-executive.

Details of the remuneration of the Directors and chief executive are set out in Notes 8 to the consolidated financial statements in this annual report.

No material matters relating to share schemes under Rule 17.07A of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Reporting Period.





Nomination Committee

The principal duties of the Nomination Committee include:

- reviewing the structure, size and composition of the Board;
- developing and formulating relevant procedures for the nomination and appointment of Directors;
- making recommendations to the Board on the appointment and succession planning of Directors; and
- assessing the independence of independent non-executive Directors.

The Board will from time to time review these policies and monitor their implementation to ensure continuous effectiveness and compliance with the relevant regulatory requirements and good corporate governance practices. 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, 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.

Where a retiring Director, being eligible, offers himself or herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to the Shareholders prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Articles of Association and the Listing Rules.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to business management, research and development and audits. They obtained degrees in various majors including management, engineering, accounting and finance, etc. Furthermore, our Board has a relatively wide range of ages, ranging from 35 years old to 70 years old, and consists of five male members and two female members. Given the current composition and gender diversity of the Board, the Board is of the view that it is not necessary for the time being to set numerical targets and a specific timeline for achieving gender diversity. Nonetheless, the Board will endeavour to at least maintain female representation on the Board and will take opportunities to increase the proportion of female members of our Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Group also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to our Board.

We believe that such merit-based selection process with reference to our Board Diversity Policy and the nature of our business will be in the best interests of our Group and our Shareholders as a whole.



As at 31 December 2025, among the senior management of the Group, the percentages of male employees and female employees are 75% and 25%, respectively; whereas among the 2,318 employees of the Group, the percentages of male employees and female employees are 71.92% and 28.08%, respectively. The Board considers that the current gender ratio of the Group's workforce (including senior management) is appropriate for its operations and the Group will aim to continue to maintain gender diversity in its workforce, given the Company's observations that the majority of the workforce and management personnel in AI, communication and energy storage sector is male. The Nomination Committee reviewed the structure, size, and diversity of the Board, to ensure that its composition complies with the Listing Rules and reflects an appropriate mix of skills, experience, and diversity that are relevant to the Company's strategy, governance, and business and contribute to the Board's effectiveness and efficiency. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained. The Company is committed to creating a fair, unbiased, equal and diversified recruitment and working environment.

Nomination Policy

The Company has also adopted the director nomination policy (the "Director Nomination Policy").

The Director Nomination Policy sets out the nomination criteria of a proposed candidate, including without limitation to the following: (i) qualifications including professional qualifications, skills, knowledge and experience; (ii) character and integrity; (iii) diversity in all aspects, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service; (iv) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; (v) independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and (vi) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Director Nomination Policy also sets out the following nomination procedure:

- (a) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.
- (b) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate's personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate's consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
- (c) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

Corporate Governance Report (Continued)



During the Reporting Period, the Nomination Committee did not hold any meeting.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. During the period from the Listing Date to 31 December 2025, one meeting of the Strategy Committee was held.

Corporate Governance Report (Continued)



Board Meetings

The attendance records of the Directors at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and the general meetings held during the Reporting Period are as follows:

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors					
Dr. Yang Rui	9/9	NA	0/0	0/0	0/0
Dr. Yang Baofeng	9/9	NA	NA	NA	0/0
Ms. He Rong	9/9	NA	NA	NA	0/0
Non-Executive Director					
Mr. Qian Shan'gao	9/9	2/2	NA	NA	0/0
Independent Non-Executive Directors					
Dr. Yin Junming	9/9	2/2	0/0	0/0	0/0
Dr. Wang Jin	9/9	2/2	0/0	0/0	0/0
Dr. Wang Xi	9/9	NA	NA	NA	0/0

In addition, a meeting between the Chairman and the independent non-executive Directors without the presence of other Directors was held.

Directors' and Supervisors' Remunerations

Details of the remunerations of the Directors and the Supervisors of the Company are set out in Note 8 to the financial statements.

According to the relevant regulations in relation to the remuneration management of the Company and completion of the results of each year, the Company proposes and submits the annual remuneration of the executive Directors for the consideration and approval at the annual general meeting of that year.

None of the Directors or Supervisors has waived or agreed to waive any emoluments and there were no amounts paid by the Group to the Directors or Supervisors as an inducement to join, or upon joining the Group, or as compensation for loss of office.





Top Five Highest-Paid Employees

Details of the top five highest-paid employees of the Company during the Reporting Period are set out in Note 9 to the financial statements.

Dividend Policy

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends, including the proposal of declaration and/or payment of dividend and determination of the dividend amount. The Company currently does not set any pre-determined dividend payout ratio.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out below, interim and/or special dividends may be proposed and/or declared by the Board in its sole and absolute discretion during a financial year and any final dividends for a financial year will be subject to the shareholders' approval.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the expected capital requirements and future expansion plans of the Group;
- (d) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (e) the statutory and regulatory restrictions;
- (f) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (g) the Shareholders' interests; and
- (h) other factors that the Board deems relevant.

The dividend decision made by the Board on account of the Reporting Period was made in accordance with the Company's dividend policy.

The Board recommends the payment of a final dividend of RMB0.12 per Share for the Reporting Period.



Anti-Corruption Policy and Whistleblowing Policy

The Group has established (i) policy and measures that promote and support anti-corruption laws and regulations; and (ii) whistleblowing policy and measures for employees, suppliers and business partners to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group.

Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board oversees risk management functions directly and also through the Audit Committee and the senior management, and will assess the effectiveness of the risk management and internal control systems at least once a year.

The senior management is responsible for the overall implementation of risk management and internal control plans and policies determined by the Board and managing the risks in connection with all of the Company's business operations. The senior management identifies, assesses and takes measures against any significant risks that the Company is facing, and reviews the risk assessment report on a regular basis and reports to the Board on a regular basis.

The Audit Committee assists the Board in leading the management and monitoring and overseeing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board where appropriate.

The internal audit department oversees the risk management and internal control systems under the supervision of the Audit Committee by performing independent audit on the effectiveness and completeness of the risk management and internal control systems. It identifies any material risks and makes recommendations on the improvement and rectification plans and measures and conducts follow-up audits with regard to the identified issues to ensure that the planned remedial measures have been duly implemented. The internal audit department operates independently from the Company's business centers and departments and directly reports the audit findings and follow-up status to the Audit Committee on a regular basis.

Disclosure of Inside Information

The Group maintains a policy on disclosure of inside information with reference to the Listing Rules, the SFO, the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong and other applicable laws and regulations. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.





Risk Management

The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. The Company, on a regular basis, identifies and assesses risk factors that may negatively affect the achievement of its objectives, and formulates appropriate response measures. We have adopted, or expected to adopt, a series of changes in our internal control policies, programs and procedures to strengthen our risk management and internal control capability and prevent non-compliance event from happening. These measures include:

- the regular training to be provided by external legal advisor to our Directors and senior management after Listing on the subject of compliance of relevant Listing Rules requirements and applicable PRC laws and regulations; and
- the establishment of our Audit Committee which comprised of three independent non-executive Directors to oversee our risk management and internal control systems, and review the financial statements of our Company from the perspective of compliance with applicable rules and regulations.

Internal Control

The Company has always valued the importance of the internal control systems, and has complied with the requirements under Appendix C1 (Corporate Governance Code) and Appendix D2 (Disclosure of Financial Information) of the Listing Rules.

The management of the Company is responsible for the design, implementation and maintenance of the effectiveness of the internal control systems. The Board, assisted by the Audit Committee, is responsible for monitoring and overseeing the performance of management over the internal control system to ensure that it is appropriate and effective.

The Company's internal control systems clearly define the roles and responsibilities of each party as well as the authorizations and approvals required for key actions of the Company. Policies and procedures are put in place for the key business processes. This information is also clearly conveyed to employees of the Company in practice and plays an important role in the internal control systems. All employees must strictly follow the policies which cover, amongst other things, financial, legal and operational issues that set the control standards for the management of each business process.

In addition, the internal audit department supervises the establishment of the risk management and internal control systems set up by management, ensures that management has implemented appropriate measures and reports the general situation of risk management and internal control of the Company to the Audit Committee on a regular basis. The internal audit department also conducts objective evaluation on the effectiveness of the Company's risk management and internal control systems and reports the results to the Audit Committee.



Effectiveness of Risk Management and Internal Control

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems.

The review process comprises, among other things, of meetings with management of production department, sales & marketing department, R&D and technical department, internal audit department, and the external auditors, reviewing the relevant work reports and information of key performance indicators internal audit department and external auditors' assessment on internal control and discussing the major risks with the senior management of the Company. The Board is of the view that throughout the Reporting Period, the risk management and internal control systems of the Group are effective and adequate. There are no significant changes during the Reporting Period in (i) the Company's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff with appropriate qualifications and experience and that such staff receive appropriate and sufficient training and development. The Board also believes that the Company's internal audit and financial reporting as well as Listing Rules compliance functions are adequate with sufficient resources and budget. The relevant staff have appropriate qualifications and experience, and receive sufficient training and development. The Company will also engage external legal advisers to ensure Listing Rules compliance.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings by the internal audit department, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting financial reporting, Listing Rules compliance and internal audit functions as well as those relating to the Company's ESG performance and reporting.

Arrangements are put in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, Listing Rules compliance internal control or other matters of the Company.

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

The Directors have prepared the consolidated financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.





Auditor's Remuneration

The remuneration paid or payable to the external auditor of the Group, Ernst & Young, in respect of audit services during the Reporting Period amounted to RMB1,612,000. Remuneration in respect of non-audit services provided by the Auditor to the Group during the same period amounted to RMB163,000.

The non-audit services conducted by the Auditor mainly included transfer pricing services and other related professional tax services.

Joint Company Secretaries

The joint company secretaries of the Company are Ms. He Rong (賀蓉) ("Ms. He"), an employee of the Group and Mr. Tam Ka Lung (譚家龍) ("Mr. Tam"). Mr. Tam, a fellow member of the Association of Chartered Certified Accountants, has been engaged by the Company as its company secretary to act jointly with Ms. He. The primary contact person at the Company is Ms. He who would work and communicate with another company secretary on the Company's corporate governance and secretarial and administrative matters. Both Ms. He and Mr. Tam have informed the Company that they have taken no less than 15 hours of relevant professional training during the year ended 31 December 2025. Their trainings satisfied the requirements under Rule 3.29 of the Listing Rules.

Shareholders' Rights

The Company engages with Shareholders through various communication channels to ensure that Shareholders' views and concerns are appropriately addressed. The Company is committed to ensuring that, among others, the Shareholders are provided with ready, equal, regular and timely access to material information about the Company in order to maintain an on-going dialogue with the Shareholders and to enable the Shareholders to exercise their rights in an informed manner.

The Company communicates information to the Shareholders through different channels, including, among others, its periodical financial announcements and reports, annual general meetings and other general meetings (if any), all the disclosures submitted to the Stock Exchange and its corporate communications and other publications on the Company's website.

The mechanisms utilised by the Company for communication of information with the Shareholders include (i) communication through the Shareholders' enquiries; (ii) corporate communications with the Shareholders in the language and means chosen by the Shareholders; (iii) posting of relevant information on the Company's website; (iv) communication at the Shareholders' meetings; and (v) investment market communications, such as investor/analysts briefings and one-on-one meetings, roadshows, media interviews, marketing activities for investors and specialist industry forums. Shareholders may also at any time make a request for the Company's publicly available information through the Company's email address and enquiry hotlines.

Corporate Governance Report (Continued)



To ensure that general meetings of the Company provides a useful forum for Shareholders to exchange views with the Board, the Shareholders' Communication Policy provides that, among other things, the Company shall provide the Shareholders with relevant information on the resolution(s) proposed at the meeting in a timely manner in accordance with the Listing Rules. In addition, the chairman of the Board or his delegates, other Board members, the chairmen of the Board committees, appropriate management executives and external auditors will attend general meetings to answer the Shareholders' questions. The Company will also monitor and review the process of its general meetings on a regular basis, and, if necessary, make changes to ensure that the Shareholders' needs are best served.

The Board is responsible for regularly reviewing the implementation and effectiveness of the Shareholders' communication. Following the annual review on the Shareholders' and investors' engagement and communication activities of the Group, the Board was satisfied with the implementation and effectiveness of the Shareholders' communication channels, which enables the Company to carry out effective two-way communication with its investors and shareholders by way of regular meetings and timely updates of the Company's financial results and developments. All communications between the Company and the Shareholders will need to abide by the applicable laws and regulations.

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Right to Call an Extraordinary General Meeting by Shareholders

Pursuant to Article 49 of the Articles of Association, Shareholders who individually or collectively hold 10% or more of the Company's shares have the right to request the Board to convene extraordinary general meetings, and shall submit requests to the board of directors in writing. The Board shall, in accordance with laws, administrative regulations and these Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days after receiving the request. Where the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

Putting Forward Proposals at General Meetings

Pursuant to Article 54 of the Articles of Association, when the Company convenes general meetings, the Shareholders who individually or collectively hold 1% or more of the Shares have the right to submit resolutions to the Company. Shareholders who individually or collectively hold 1% or more of the Shares may submit temporary resolutions in writing to the convener 10 days before the Shareholders' meeting is convened.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.





Contact Details

Shareholders and the investment community may send their enquiries or requests for publicly available information of the Company as mentioned above to the following:

Address: Room 504, 5/F Cheong Tai Commercial Building 60-66 Wing Lok Street, Sheung Wan, Hong Kong
For the attention of the board of directors
Email: sd-tzb@shuangdeng.com.cn

Any shareholding matters, such as transfer of Shares, change of name or address, and loss of Share certificates should be address in writing to the Hong Kong Share Registrar:

Computershare Hong Kong Investor Services Limited

Address: Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses and provide their full name, contact details and identification in order to give effect thereto. Shareholders’ information may be disclosed as required by law.

Investor Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board and other Board members, in particular, the chairmen of Board committees (or their delegates as appropriate), appropriate management executives and external auditor will use all reasonable endeavours to attend annual general meetings and to answer enquiries of Shareholders.

Amendments to the Articles of Association

The Articles of Association is available on the websites of the Company (www.shuangdeng.com.cn) and the Stock Exchange (www.hkexnews.hk). During the Reporting Year, there is no amendments to the Articles of Association.

Independent Auditor's Report



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To the shareholders of SHUANGDENG GROUP Co., Ltd.
(Established in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of SHUANGDENG GROUP Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 161, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statements of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report



Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for inventories</p> <p>As at 31 December 2025, the Group's inventories and the loss allowance for impairment of inventories amounted to approximately RMB799.8 million and RMB14.8 million, respectively.</p> <p>Inventories are stated at the lower of cost and net realisable value. The net realisable values of inventories was calculated based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated selling expenses to determine the loss allowance for impairment of inventories. The management determines the estimated selling price based on historical selling prices, contracted selling prices, etc., taking into account the purpose for which the inventories are held. Since the assessment of net realisable value involves significant estimation uncertainty, and in view of the significance of the amount, the allowance for inventories was considered a key audit matter.</p> <p>The disclosures about inventories are included in note 2.4 "Material accounting policy", note 3 "Significant accounting judgements and estimates", note 6 "Profit before tax", note 19 "Inventories", respectively, to the financial statements.</p>	<p>Our procedures in relation to the loss allowance for impairment of inventories included, among others:</p> <p>We obtained an understanding of and evaluated management's key controls relating to the assessment of the loss allowance for impairment of inventories.</p> <p>We evaluated the methods and assumptions used to calculate the net realisable values of inventories.</p> <p>We tested, on a sample basis, the estimated selling price of inventories, and evaluated the estimated costs of completion and selling expenses.</p> <p>We reviewed the adequacy of the related disclosures in the notes to the financial statements.</p>

Independent Auditor's Report



Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



Independent Auditor's Report



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report



Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai (practising certificate number: P06860).

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2026



Audited Financial Statements



Consolidated statements of profit or loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	5,083,445	4,498,522
Cost of sales		(4,374,234)	(3,747,639)
Gross profit		709,211	750,883
Other income and gains	5	86,416	115,584
Selling and marketing expenses		(148,425)	(138,043)
Administrative expenses		(133,440)	(156,470)
Research and development costs		(134,207)	(110,478)
Impairment losses on financial and contract assets, net		(10,473)	(19,181)
Other expenses		(40,956)	(20,169)
Finance costs	7	(27,951)	(19,842)
Share of profits and losses of associates		(19)	428
PROFIT BEFORE TAX	6	300,156	402,712
Income tax expense	10	(44,632)	(49,381)
PROFIT FOR THE YEAR		255,524	353,331
Attributable to:			
Owners of the parent		255,524	353,331
Non-controlling interests		–	–
		255,524	353,331
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted:			
– For profit for the year (RMB)	12	0.67	0.99

Audited Financial Statements



Consolidated statements of comprehensive income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR		255,524	353,331
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		(54)	233
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		(54)	233
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(54)	233
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		255,470	353,564
Attributable to:			
Owners of the parent		255,470	353,564
Non-controlling interests		–	–
		255,470	353,564



Audited Financial Statements



Consolidated statements of financial position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,144,502	1,217,124
Right-of-use assets	14	191,082	165,108
Other intangible assets	18	7,582	8,321
Investments in associates	16	16,765	16,766
Prepayments, other receivables and other assets	17	1,376	2,358
Financial assets at fair value through profit or loss	22	94,050	–
Contract assets	21	13,093	13,154
Deferred tax assets	15	65,124	74,113
Restricted cash	24	37,038	23,567
Total non-current assets		1,570,612	1,520,511
CURRENT ASSETS			
Inventories	19	784,967	513,506
Trade and bills receivables	20	2,617,171	2,318,281
Contract assets	21	5,087	546
Prepayments, other receivables and other assets	17	146,502	85,290
Financial assets at fair value through profit or loss	22	–	86,000
Derivative financial instruments	22	43	3,355
Due from a related party	38	617	–
Debt investments at fair value through other comprehensive income	23	22,534	3,073
Restricted cash	24	172,307	235,134
Cash and cash equivalents	24	1,274,234	395,234
Total current assets		5,023,462	3,640,419
CURRENT LIABILITIES			
Trade and bills payables	25	1,413,685	973,979
Other payables and accruals	26	480,964	558,678
Derivative financial instruments	22	–	842
Contract liabilities	27	82,496	39,640
Interest-bearing bank and other borrowings	28	730,188	673,333
Deferred government grants	29	21,876	20,878
Lease liabilities	14	10,447	8,017
Tax payable		3,583	27,908
Due to related parties	38	3,523	5,720
Provisions	30	8,486	7,158
Total current liabilities		2,755,248	2,316,153

Audited Financial Statements (Continued)



Consolidated statements of financial position (Continued)

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NET CURRENT ASSETS		2,268,214	1,324,266
TOTAL ASSETS LESS CURRENT LIABILITIES		3,838,826	2,844,777
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	28	212,643	255,404
Deferred government grants	29	146,878	161,621
Lease liabilities	14	11,531	8,597
Provisions	30	35,866	31,694
Total non-current liabilities		406,918	457,316
Net assets		3,431,908	2,387,461
EQUITY			
Equity attributable to owners of the parent			
Share capital	31	425,610	358,269
Reserves	32	3,006,298	2,029,192
		3,431,908	2,387,461
Total equity		3,431,908	2,387,461

Approved on behalf of the board of directors:

Mr. Yang Rui
Director

Ms. He Rong
Director



Audited Financial Statements



Consolidated statements of changes in equity

Year ended 31 December 2025

	Notes	Attributable to owners of the parent						Total equity RMB'000
		Share capital RMB'000	Capital reserve* RMB'000	Share-based compensation reserve* RMB'000	Reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	
At 1 January 2025		358,269	420,692	72,576	186,522	(568)	1,349,970	2,387,461
Profit for the year		-	-	-	-	-	255,524	255,524
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations		-	-	-	-	(54)	-	(54)
Total comprehensive income for the year		-	-	-	-	(54)	255,524	255,470
Issue of shares	31	67,341	820,692	-	-	-	-	888,033
Share issue expenses	32	-	(55,226)	-	-	-	-	(55,226)
Share incentive plan expense	33	-	-	17,076	-	-	-	17,076
Dividend	11	-	-	-	-	-	(60,906)	(60,906)
Appropriation to reserves funds		-	-	-	21,097	-	(21,097)	-
At 31 December 2025		425,610	1,186,158	89,652	207,619	(622)	1,523,491	3,431,908

	Notes	Attributable to owners of the parent						Total equity RMB'000
		Share capital RMB'000	Capital reserve* RMB'000	Share-based compensation reserve* RMB'000	Reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	
At 1 January 2024		358,269	420,692	50,037	156,552	(801)	1,100,412	2,085,161
Profit for the year		-	-	-	-	-	353,331	353,331
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations		-	-	-	-	233	-	233
Total comprehensive income for the year		-	-	-	-	233	353,331	353,564
Share incentive plan expense	33	-	-	22,539	-	-	-	22,539
Dividend	11	-	-	-	-	-	(73,803)	(73,803)
Appropriation to reserves funds		-	-	-	29,970	-	(29,970)	-
At 31 December 2024		358,269	420,692	72,576	186,522	(568)	1,349,970	2,387,461

* These reserve accounts comprise the reserves of RMB3,006,298,000 (2024: RMB2,029,192,000) in the consolidated statement of financial position.

Audited Financial Statements



Consolidated statements of cash flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		300,156	402,712
Adjustments for:			
Finance costs	7	27,951	19,842
Share of profits and losses of associates		(19)	(428)
Interest income	5	(25,671)	(14,814)
Loss/(gain) on disposal of items of property, plant and equipment		17	(15)
Gain on disposal of right-of-use assets		(22)	–
Loss on disposal of a subsidiary	34	–	147
Gain on financial assets at fair value through profit or loss		(914)	–
(Gain)/loss on derivative financial instruments		(3,485)	2,748
Fair value loss/(gain) on derivative financial instruments	22	2,471	(2,513)
Depreciation of items of property, plant and equipment	13	154,621	126,283
Depreciation of right-of-use assets	14	14,656	12,925
Amortisation of other intangible assets	18	3,219	3,623
Amortisation of deferred government grants	29	(22,745)	(18,521)
Provision for trade and bills receivables and contract assets, net		8,559	18,185
Provision for prepayments, other receivables and other assets, net		1,914	996
Impairment of inventories	19	(16,690)	(22,338)
Foreign exchange differences, net		15,816	(10,626)
Share incentive plan expense		17,076	22,539
		476,910	540,745
Increase in trade and bills receivables and contract assets		(331,390)	(712,836)
Increase in prepayments, other receivables and other assets		(68,458)	(13,093)
Increase in an amount due from a related party		(617)	–
(Increase)/decrease in amounts due to related parties		(2,599)	1,949
Increase in inventories		(254,771)	(31,934)
Increase in trade and bills payables		1,096,615	449,989
Increase in other payables and accruals		63,901	14,010
Increase/(decrease) in provision		5,500	(1,011)
Increase/(decrease) in contract liabilities		42,856	(23,374)
Decrease in restricted cash		49,356	80,188
Cash flows generated from operating activities		1,077,303	304,633
Interest received		25,671	14,814
Income taxes paid		(59,968)	(58,068)
Net cash flows generated from operating activities		1,043,006	261,379

Audited Financial Statements (Continued)



Consolidated statements of cash flows (Continued)

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(223,240)	(155,639)
Proceeds from disposal of items of property, plant and equipment		613	5,057
Purchase of right-of-use assets		(23,672)	(6,520)
Purchase of other intangible assets		(2,480)	(4,795)
Receipt of government grants for property, plant and equipment		9,000	64,897
Investment in an associate		20	–
Disposal of a subsidiary	34	–	5,640
Purchase of items of financial assets at fair value through profit or loss		(94,050)	(86,000)
Purchase of derivative financial instruments		–	(12,251)
Proceeds from disposal of items of derivative financial instruments		2,322	–
Proceeds from disposal of financial assets at fair value through profit or loss		86,913	–
Recovery of value-added tax attributable to the acquisition of property, plant, and equipment		–	35,127
Net cash flows used in investing activities		(244,574)	(154,484)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		888,033	–
New bank loans		306,734	358,172
Repayment of bank loans		(948,719)	(452,251)
Dividends paid		(60,906)	(73,803)
Interest paid		(27,328)	(19,311)
Payment of listing expenses		(47,749)	(7,477)
Principal portion of lease payments		(11,204)	(8,582)
Interest paid for lease payments		(623)	(531)
Net cash flows generated from/(used in) financing activities		98,238	(203,783)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		395,234	479,582
Effect of foreign exchange rate changes, net		(17,670)	12,540
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,274,234	395,234
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,274,234	395,234
Cash and cash equivalents as stated in the statements of financial position	24	1,274,234	395,234
Cash and cash equivalents as stated in the statements of cash flows		1,274,234	395,234

Audited Financial Statements



Notes to financial statements

31 December 2025

1. Corporate and group information

SHUANGDENG GROUP Co., Ltd. (the "Company") was a joint stock company with limited liability established in the People's Republic of China ("PRC") on 28 December 2011 by Mr. Yang Shanji (楊善基), Mr. Qian Shan'gao (錢善高), Mr. Zhu Shiping (祝士平), Mr. Zhou Yuezhong (周躍章), Mr. Zhou Ping (周平), Mr. Zhou Weigang (周偉綱) and Mr. Zhai Lifeng (翟立鋒). The registered office of the Company is located at No. 999, Tianmu West Road, Jiangyan Economic Development Zone, Taizhou, Jiangsu Province, PRC.

During the year, the Company and its subsidiaries (together, the "Group") are principally engaged in the research and development, manufacture and sale of lead-acid energy storage battery products and lithium-ion energy storage battery products.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 August 2025.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name*	Place of incorporation/ registration and business	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hubei Shuangdeng Runyoung New Energy Co., Ltd.* ("湖北雙登潤陽新能源有限公司") ("Shuangdeng Runyoung")	PRC/Chinese mainland	RMB56,000,000	100	–	Lead-acid energy storage battery research and development, production and sales
Beijing Shuangdeng Huifeng Juneng Technology Co., Ltd.* ("北京雙登慧峰聚能科技有限公司") ("Huifeng Juneng")	PRC/Chinese mainland	RMB30,000,000	100	–	Battery research and development
Jiangsu Shuangdeng Front New Energy Co., Ltd.* ("江蘇雙登富朗特新能源有限公司") ("Shuangdeng Front")	PRC/Chinese mainland	RMB75,466,200	100	–	Lithium-ion energy storage battery research and development production and sales
Hubei Shuangdeng Energy Storage Technology Co., Ltd.* ("湖北雙登儲能科技有限公司") ("Shuangdeng Energy Storage")	PRC/Chinese mainland	RMB100,000,000	100	–	Lithium-ion energy storage battery research and development production and sales
SHUANGDENG HOLDINGS INC. ("US Shoto")	United States	USD1,000,000	100	–	Shareholding platform

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

1. Corporate and group information (Continued)

Information about subsidiaries (Continued)

Name*	Place of incorporation/ registration and business	Registered paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
SHOTO ENERGY LLC ("SHOTO ENERGY")	United States	USD300,000	-	100	Energy storage battery sales
SHOTO SINGAPORE PTE. LTD. ("SINGAPORE SHOTO")	Singapore	SGD10,000	100	-	Shareholding platform
SHOTO ENERGY PTE. LTD. ("SINGAPORE SHOTO ENERGY")	Singapore	SGD10,000	-	100	Energy storage battery sales
SHOTO TECHNOLOGY (MALAYSIA) SDN. BHD. ("Malaysia SHOTO")	Malaysia	RM1,000	-	100	Energy storage battery production and sales

* The English names of these companies registered in the PRC represent the translated names of these companies as no English names have been registered.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products, bills receivable classified as the financial assets at fair value through other comprehensive income and equity investments at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. 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).

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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 (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; 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.





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments did not have any impact on the Group's financial statements.

2.3 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 these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.3 Issued but not yet effective ifrs accounting standards (Continued)

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, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss 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 Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement 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 Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.3 Issued but not yet effective ifrs accounting standards (Continued)

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures its wealth management products, derivative financial instruments, bills receivable and equity investments at fair value at the end of each reporting period. 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.



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Fair value measurement (Continued)

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, contract assets, deferred tax assets, financial assets and non-current assets/a disposal group classified as held for sale), 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 the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each 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 the statement of 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; and the sponsoring employers of the post-employment benefit plan;
 - (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.





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. 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 the 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	2.38% to 4.75%
Leasehold improvements	15.70% to 23.77%
Plant and machinery	4.75% to 9.50%
Motor vehicles	19.00%
Furniture and others	19.00%

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 the 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.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

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 each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

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.





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Leases (Continued)

Group as a lessee (Continued)

(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	50 years
Buildings	2 to 6 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.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Leases (Continued)

Group as a lessee (Continued)

(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 and laptop computers that are 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.



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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 the 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 of impairment losses 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 the 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 statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes wealth management products, derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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 statement 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).





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

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 60 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.

Debt investments at fair value through other comprehensive income and 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, bills receivable and contract assets 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 receivables, bills receivable and contract assets 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.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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 and bills payables, certain other payables and accruals, amounts due to related parties, derivative financial instruments, and interest-bearing bank and other borrowings.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing 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 the 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 the profit or loss.





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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 the profit or loss.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as commodity contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value change of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. 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 statement 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 statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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 the profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

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 countries 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 and associates, 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.





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Income tax (Continued)

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 and associates, 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 the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue from sale of products

Revenue from sale of goods primarily arises from sales of lead acid battery, lithium-ion battery and other products, which is recognised at the point in time when control of the products is transferred to the customer, generally on the acceptance of the products.

Other income

Interest income is recognised on an accrual basis using the effective interest rate 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 assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

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 or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).





Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates an employee share 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 for grants is measured by reference to the fair value at the date at which they are granted, further details of which are given in note 33 to the financial statements.

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 lock-up restricted 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 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.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Share-based payments (Continued)

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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Social pension plans

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. The Group's liability in respect of these funds is limited to the contributions payable in each of the reporting period.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the reporting period.

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.



Notes to financial statements (Continued)

31 December 2025

2. Accounting policies (Continued)

2.4 Material accounting policy (Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

3. Significant 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determining significant influence over entities in which the Group holds less than 20% equity interest

Despite the fact that the Group's direct or indirect equity interest in Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd. was 18% which was lower than 20%, the Group had significant influence through assigning a board representative and had the right to participate in the financial and operating policy decisions of Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

During the year ended 31 December 2025, The Group had tax losses of RMB2,120,000 (2024:RMB19,253,000), carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that no deferred tax assets were recognized on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB2,148,000 (2024:RMB3,782,000) for the year ended 31 December 2025. Further details on deferred taxes are disclosed in note 15 to the financial statements.





Notes to financial statements (Continued)

31 December 2025

3. Significant accounting judgements and estimates (Continued)

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:

for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the ageing analysis of customers that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, 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 and contract assets is disclosed in note 20 and note 21 to the financial statements, respectively.

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate. Further details of the inventories are set out in note 19 to the financial statements.

Provision

The Group makes a provision for product warranty for the sale of battery products according to the best expected settlement under the sales agreement. The provision amount takes into account the Group's recent claims, past warranty data and the weight of all possible results and their related probabilities. As the Group continues to upgrade its product design and introduce new models, the recent claims may not represent the claims it will face in the future for past sales. Any increase or decrease in provision will affect the profit or loss in future years. Further details of the provision are set out in note 30 to the financial statements.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

4. Operating segment information

For management purposes, the Group is organised into one single business unit that is the sale of lead-acid energy storage battery products and lithium-ion energy storage battery products. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.4 to the financial statements. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	4,298,197	3,608,974
Overseas	785,248	889,548
Total revenue	5,083,445	4,498,522

The revenue information above is based on the locations of the direct customers who signed the sales agreements with the Group.

(b) Non-current assets

	2025 RMB'000	2024 RMB'000
Chinese mainland	1,341,457	1,388,481
Overseas	18,474	18,838
Total non-current assets	1,359,931	1,407,319

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from a single customer, including a group of entities which are known to be under common control, accounting for over 10% of the Group's total revenue during the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Customer A	N/A	589,642



Notes to financial statements (Continued)

31 December 2025

5. Revenue, other income and gains

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	5,083,445	4,498,522

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods		
Sales of lithium-Ion battery products	1,968,928	1,495,978
Sales of lead-acid battery products	2,974,170	2,907,232
Others (a)	140,347	95,312
Total	5,083,445	4,498,522
Timing of revenue recognition		
Goods transferred at a point in time	5,083,445	4,498,522

(a) The amounts mainly include revenue from sales of waste including lead slag, used batteries.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous years:

	2025 RMB'000	2024 RMB'000
Sales of goods	39,640	63,014

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

5. Revenue, other income and gains (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon the acceptance of the lead-acid battery products, lithium-ion battery products and other products by the customers and payment is generally due within 30 to 120 days from delivery.

The amount of transaction price allocated to the performance obligations (unsatisfied or partially unsatisfied) as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	82,496	39,640

Other income and gains

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Government grants related to		
– Assets (i)	22,745	18,521
– Income	14,020	20,850
Additional VAT deduction (ii)	14,163	40,556
Interest income	25,671	14,814
Foreign exchange gains, net	–	10,626
Compensation income	2,127	359
Rental income	2,187	2,794
Others	5,503	7,064
Total	86,416	115,584

(i) The Group has received certain government grants related to assets for investments in equipment and plant. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. Details of these grants related to assets are set out in note 29 to the financial statements.

(ii) According to the regulations of the Ministry of Finance and the State Administration of Taxation, certain entities within the Group can enjoy an additional 5% deduction calculated based on the input value-added tax ("VAT") from the VAT payable since 1 January 2023. The amount of additional deduction was recognised in profit or loss when the entities declared and applied the additional 5% deduction calculated based on the deductible input VAT amount from the VAT payable.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

6. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		4,374,234	3,747,639
Depreciation of property, plant and equipment	13	154,621	126,283
Depreciation of right-of-use assets	14	14,656	12,925
Amortisation of other intangible assets	18	3,219	3,623
Research and development costs*		57,522	33,953
Lease payments not included in the measurement of lease liabilities	14	5,978	5,817
Auditor's remuneration		1,612	2,219
Listing expenses		18,743	17,993
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		301,527	311,649
Pension scheme contributions		33,169	34,281
Share incentive plan expense		8,584	16,206
Foreign exchange differences, net		15,816	(10,626)
Impairment losses on financial and contract assets, net:			
Impairment of trade and bills receivables, net	20	5,948	17,526
Impairment of contract assets, net	21	2,611	659
Impairment of financial assets included in prepayments, other receivables and other assets		1,914	996
Provision for product warranty	30	60,230	38,436
Reversal of write-down of inventories to net realisable value	19	(16,690)	(22,338)
Interest income		(25,671)	(14,814)

* Research and development costs do not include expenses relating to employee benefit expense, depreciation and amortisation expenses, which are included in the respective total amounts disclosed separately above for each of these types of expenses.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

7. Finance costs

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	27,328	23,191
Interest on lease liabilities	623	531
Total interest expense on financial liabilities not at fair value through profit or loss	27,951	23,722
Less: Interest capitalised	–	(3,880)
Total	27,951	19,842

8. Directors' and chief executive's remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	450	468
Other emoluments:		
Salaries, allowances and benefits in kind	4,110	4,172
Performance related bonuses*	2,892	10,486
Share incentive plan expense	8,492	6,333
Subtotal	15,494	20,991
Total	15,944	21,459

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.





Notes to financial statements (Continued)

31 December 2025

8. Directors' and chief executive's remuneration (Continued)

During the year ended 31 December 2025, certain directors were granted awarded shares, in respect of their services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of such awarded shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the year ended 31 December 2025, is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2025 RMB'000	2024 RMB'000
Dr. Yin Junming		150	150
Dr. Wang Jin	(i)	150	84
Dr. Wang Xi	(ii)	150	84
Mr. Wang Jinliang	(iii)	–	150
Total		450	468

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

8. Directors' and chief executive's remuneration (Continued)

(b) Directors and supervisors

The remuneration of each director and the chief executive of the Company during the year is set out below:

2025

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share incentive plan expense RMB'000	Total remuneration RMB'000
Executive directors:				
Dr. Yang Rui**	972	200	6,304	7,476
Dr. Yang Baofeng	888	1,500	843	3,231
Ms. He Rong	834	1,025	843	2,702
Subtotal	2,694	2,725	7,990	13,409
Non-executive director:				
Mr. Qian Shangao	300	–	–	300
Supervisors:				
Mr. Lou Zhiqiang	610	66	493	1,169
Ms. Sun Caiyun	272	45	9	326
Mr. Huang Xuegong	234	56	–	290
Subtotal	1,116	167	502	1,785
Total	4,110	2,892	8,492	15,494



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

8. Directors' and chief executive's remuneration (Continued)

(b) Directors and supervisors (Continued)

The remuneration of each director and the chief executive of the Company during the year is set out below: (Continued)

2024

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share incentive plan expense RMB'000	Total remuneration RMB'000
Executive directors:				
Dr. Yang Rui**	973	3,695	3,152	7,820
Dr. Yang Baofeng	901	3,745	1,335	5,981
Ms. He Rong (iv)	840	2,639	999	4,478
Subtotal	2,714	10,079	5,486	18,279
Non-executive director:				
Mr. Qian Shan'gao	300	–	–	300
Supervisors:				
Mr. Lou Zhiqiang	645	286	739	1,670
Ms. Sun Caiyun	288	75	108	471
Mr. Huang Xuegong	225	46	–	271
Subtotal	1,158	407	847	2,412
Total	4,172	10,486	6,333	20,991

** Dr. Yang Rui is the chief executive of the Company during the year.

(i) Dr. Wang Jin has been appointed as a director in June 2024 and re-designated as an independent non-executive director in July 2024.

(ii) Dr. Wang Xi has been appointed as a director in June 2024 and re-designated as an independent non-executive director in July 2024.

(iii) Mr. Wang Jinliang has been appointed as an independent director of the Company with effect from December 2015 and has tendered his resignation with effect from 12 June 2024 due to age.

(iv) Ms. He Rong has been appointed as an executive director of the Company with effect from June 2024. She is also the chief financial officer of the Company.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

9. Five highest paid employees

The five highest paid employees during the year included four directors and supervisor (2024: four directors and supervisor), details of whose remuneration are set out in note 8 to the financial statements.

Details of the remuneration for the remaining one (2024: one) highest paid employees who are neither directors, supervisors nor the chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	828	832
Performance related bonuses	679	1,802
Share incentive plan expense	246	493
Total	1,753	3,127

The remuneration of the non-director, non-supervisor and non-chief executive highest paid employee fell within the following bands:

	2025 RMB'000	2024 RMB'000
Nil to HKD1,000,000	–	–
HKD1,000,001 to HKD1,500,000	–	–
HKD1,500,001 to HKD2,000,000	1	–
HKD2,500,001 to HKD3,000,000	–	–
HKD3,000,001 to HKD3,500,000	–	1
Total	1	1

During the year and the prior year, awarded shares were granted to two non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 33 to the financial statements. The fair value of such awarded shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. Income tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries or jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below:

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

10. Income tax (Continued)

The Company was renewed as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Front was renewed as a High and New Technology Enterprise in 2024 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Runyoung was renewed as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Huifeng Juneng was qualified as a High and New Technology Enterprise in 2024 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Energy Storage was qualified as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 25%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

	2025 RMB'000	2024 RMB'000
Current income tax – Chinese mainland	35,473	56,239
Current income tax – Overseas	170	67
Deferred income tax (<i>note 15</i>)	8,989	(6,925)
Income tax charge for the year	44,632	49,381

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the countries or jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the applicable tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	300,156	402,712
Tax at the tax rate of 15%	45,023	60,407
Effect of different tax rates of the subsidiaries	(649)	(4,337)
Expenses not deductible for tax	4,591	4,511
Additional deductible allowance for research and development costs	(17,431)	(14,982)
Effect on opening deferred tax of decrease in rate	9,833	–
Adjustments in respect of current tax of previous periods	1,117	–
Temporary difference and tax losses not recognised	2,148	3,782
Tax charge at the Group's effective rate	44,632	49,381

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

11. Dividends

	2025 RMB'000	2024 RMB'000
2024 Final dividend - RMB0.170 (2024:2023 Final dividend- RMB0.206) per share	60,906	73,803

The Board of Directors declared the payment of a final dividend of RMB0.170 per ordinary (2024: RMB0.206 per ordinary) share during the year ended 31 December 2025.

The proposed final dividend of RMB 0.120 per share for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. Earnings per share attributable to ordinary equity holders of the parent

The basic earnings per share is calculated based on the profit attributable to the owners of the parent and the weighted average number of ordinary shares outstanding during the year. The Group had no potentially dilutive ordinary shares in issue during the year.

The calculation of basic earnings per share is based on:

	2025	2024
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	255,524	353,331
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	381,001,937	358,269,000



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Notes to financial statements

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13. Property, plant and equipment

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	539,247	16,875	1,402,028	10,743	132,374	2,480	2,103,747
Accumulated depreciation	(192,275)	(5,668)	(602,898)	(4,999)	(80,783)	-	(886,623)
Net carrying amount	346,972	11,207	799,130	5,744	51,591	2,480	1,217,124
At 1 January 2025, net of accumulated depreciation	346,972	11,207	799,130	5,744	51,591	2,480	1,217,124
Additions	7,744	370	5,743	821	2,252	65,097	82,027
Disposals	(2)	(87)	(359)	(9)	(173)	-	(630)
Depreciation provided during the year	(25,366)	(3,357)	(110,276)	(1,729)	(13,893)	-	(154,621)
Transfers	-	-	45,142	621	3,890	(49,653)	-
Exchange realignment	-	(181)	712	9	62	-	602
At 31 December 2025, net of accumulated depreciation and impairment	329,348	7,952	740,092	5,457	43,729	17,924	1,144,502
At 31 December 2025:							
Cost	546,951	16,883	1,448,260	12,019	136,524	17,924	2,178,561
Accumulated depreciation	(217,603)	(8,931)	(708,168)	(6,562)	(92,795)	-	(1,034,059)
Net carrying amount	329,348	7,952	740,092	5,457	43,729	17,924	1,144,502

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

13. Property, plant and equipment (Continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	380,994	17,963	1,001,189	9,782	100,996	346,408	1,857,332
Accumulated depreciation	(170,096)	(7,834)	(520,176)	(3,671)	(71,308)	–	(773,085)
Net carrying amount	210,898	10,129	481,013	6,111	29,688	346,408	1,084,247
At 1 January 2024, net of accumulated depreciation	210,898	10,129	481,013	6,111	29,688	346,408	1,084,247
Additions	629	3,952	12,260	1,191	15,651	230,519	264,202
Disposals	–	(73)	(3,947)	(35)	(987)	–	(5,042)
Depreciation provided during the year	(22,179)	(2,801)	(89,055)	(1,523)	(10,725)	–	(126,283)
Transfers	157,624	–	398,859	–	17,964	(574,447)	–
At 31 December 2024, net of accumulated depreciation and impairment	346,972	11,207	799,130	5,744	51,591	2,480	1,217,124
At 31 December 2024:							
Cost	539,247	16,875	1,402,028	10,743	132,374	2,480	2,103,747
Accumulated depreciation	(192,275)	(5,668)	(602,898)	(4,999)	(80,783)	–	(886,623)
Net carrying amount	346,972	11,207	799,130	5,744	51,591	2,480	1,217,124

As at 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB315,345,000 (2024: RMB125,114,000) were pledged to secure certain interest-bearing bank and other borrowings of the Group. Further details are given in note 28 to the financial statements.





Notes to financial statements (Continued)

31 December 2025

14. Right-of-use assets and lease liabilities

The Group as a lessee

The Group has lease contracts mainly for various items of buildings used in its operations. Leases of buildings generally have lease terms between 24 months and 72 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Buildings RMB'000	Total RMB'000
As at 1 January 2024	146,932	9,774	156,706
Additions	6,520	14,481	21,001
Depreciation charge	(3,917)	(9,008)	(12,925)
Exchange realignment	–	326	326
As at 31 December 2024 and 1 January 2025	149,535	15,573	165,108
Additions	23,672	16,792	40,464
Depreciation charge	(3,888)	(10,768)	(14,656)
Exchange realignment	–	406	406
Disposal as a result of decrease the scope of lease	–	(240)	(240)
As at 31 December 2025	169,319	21,763	191,082

As at 31 December 2025, certain of the leasehold land with an aggregate net carrying amount of approximately RMB23,596,000 (2024: RMB96,887,000) were pledged to secure certain interest-bearing bank borrowings of the Group. Further details are given in note 28 to the financial statements.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

14. Right-of-use assets and lease liabilities (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year	16,614	10,389
New lease	16,792	14,481
Accretion of interest recognised during the year	623	531
Payments	(11,827)	(9,113)
Disposal as a result of decrease of the scope of a lease	(262)	–
Exchange realignment	38	326
Carrying amount at the end of the year	21,978	16,614
Analysed into:		
Current portion	10,447	8,017
Non-current portion	11,531	8,597

The maturity analysis of lease liabilities is disclosed in note 42 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	623	531
Depreciation charge of right-of-use assets	14,656	12,925
Expense relating to short-term leases	5,978	5,817
Total amount recognised in profit or loss	21,257	19,273

(d) The total cash outflow for leases is disclosed in note 35 to the financial statements.

Included in the lease liabilities, amounts of RMB11,880,000 (2024: RMB2,685,000) during the year were due to related parties. Details are disclosed in note 38 to the financial statements.



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

15. Deferred tax

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Impairment of financial and contract assets RMB'000	Impairment of inventories and property, plant and equipment RMB'000	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Deferred government grants RMB'000	Accrued expenses RMB'000	Provisions RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	12,360	8,073	1,682	2,610	25,107	12,207	5,979	786	68,804
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	2,662	(2,911)	1,267	(2,610)	10,500	1,399	(151)	(1,568)	8,588
Gross deferred tax assets at 31 December 2024 and 1 January 2025	15,022	5,162	2,949	–	35,607	13,606	5,828	(782)	77,392
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	1,185	(3,051)	(477)	–	(11,174)	652	825	2,256	(9,784)
Gross deferred tax assets at 31 December 2025	16,207	2,111	2,472	–	24,433	14,258	6,653	1,474	67,608

Deferred tax liabilities

	Right-of-use assets RMB'000
At 1 January 2024	1,616
Deferred tax charged to the statement of profit or loss during the year (note 10)	1,663
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	3,279
Deferred tax credited to the statement of profit or loss during the year (note 10)	(795)
Gross deferred tax assets at 31 December 2025	2,484

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

15. Deferred tax (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	65,124	74,113
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–

For the year ended 31 December 2025, the Group had tax losses arising overseas of RMB12,436,000 (2024: RMB5,369,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

For the year ended 31 December 2025, the Group also had tax losses arising in the Chinese mainland of RMB40,382,000 (2024: RMB38,314,000) that would expire in one to ten years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Deductible temporary differences	2,102	549
Tax losses	43,318	41,286

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

16. Investments in associates

	2025 RMB'000	2024 RMB'000
Share of net assets	16,765	16,766

The Group's trade receivable and other payable balances with the associate are disclosed in note 38 to the financial statements.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

16. Investments in associates (Continued)

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd. ("雙登天鵬冶金江蘇有限公司")*	Registered capital of RMB1 each	PRC/Chinese mainland	18%	Recycling of battery products

* The English name of the company represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

Despite the fact that the Group's equity interest in Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd. was 18% which was lower than 20%, the Group had significant influence through assigning a board representative and the right to participate in the financial and operating policy decisions of Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd.

The following table illustrates the summarised financial information in respect of Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd. reconciled to the carrying amount in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Current assets	229,694	245,471
Non-current assets	45,684	48,381
Current liabilities	(208,369)	(226,036)
Non-current liabilities	(10,000)	(10,800)
Net assets	57,009	57,016
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	18%	18%
Carrying amount of the investment	10,262	10,263
Revenue	1,352,762	1,333,711
(Loss)/profit for the year	(3)	2,373
Total comprehensive (loss)/income for the year	(3)	2,373

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

16. Investment in associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' loss for the year	70	–
Share of the associates' total comprehensive loss	70	–
Aggregate carrying amount of the Group's investments in the associates	19	–

17. Prepayments, other receivables and other assets

	Notes	2025 RMB'000	2024 RMB'000
Current			
Prepayments		100,970	40,921
Prepaid value-added tax	(i)	20,864	5,478
Deposits and other receivables	(ii)	23,112	38,891
Tax recoverable		1,556	–
		146,502	85,290
Non-current			
Deposits and other receivables	(ii)	1,376	2,358
Total		1,376	2,358

(i) The Group's domestic sales of goods and rendering of services are subject to PRC VAT. Input VAT on purchases can be deducted from output VAT payable.

(ii) The financial assets included in the above balances relate to deposits and other receivables which were categorised in stage 1 at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking factors and information. During the year, the deposits and other receivables had no recent history of default and past due amounts. As at 31 December 2025, the loss allowance was assessed to be minimal.

As at 31 December 2025, the Group's deposits and other receivables of RMB117,000 (2024: RMB5,108,000) were pledged for future guarantee.



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

18. Other intangible assets

	Software RMB'000
31 December 2025	
At 1 January 2025:	
Cost	28,212
Accumulated amortisation	(19,891)
Net carrying amount	8,321
Cost at 1 January 2025, net of accumulated amortisation	8,321
Additions	2,480
Amortisation provided during the year	(3,219)
At 31 December 2025	7,582
At 31 December 2025:	
Cost	30,693
Accumulated amortisation	(23,111)
Net carrying amount	7,582
31 December 2024	
At 1 January 2024:	
Cost	23,417
Accumulated amortisation	(16,268)
Net carrying amount	7,149
Cost at 1 January 2024, net of accumulated amortisation	7,149
Additions	4,795
Amortisation provided during the year	(3,623)
At 31 December 2024	8,321
At 31 December 2024:	
Cost	28,212
Accumulated amortisation	(19,891)
Net carrying amount	8,321

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

19. Inventories

	2025 RMB'000	2024 RMB'000
Raw materials	101,376	62,501
Work in progress	354,456	260,227
Goods in transit	39,135	30,426
Finished goods	304,793	191,835
	799,760	544,989
Impairment allowance	(14,793)	(31,483)
Total	784,967	513,506

The movements in the loss allowance for impairment of inventories are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	31,483	53,821
Provision for impairment losses, net	(16,690)	(22,338)
At the end of the year	14,793	31,483

20. Trade and bills receivables

	2025 RMB'000	2024 RMB'000
Trade receivables	2,554,477	2,303,208
Bills receivable	161,054	108,186
Impairment	(98,360)	(93,113)
Total	2,617,171	2,318,281
Denominated in RMB	2,349,522	2,075,333
Denominated in USD	266,092	239,128
Denominated in EUR	1,557	3,820
Total	2,617,171	2,318,281



Notes to financial statements (Continued)

31 December 2025

20. Trade and bills receivables (Continued)

The Group's trading terms with its customers are mainly on credit. The credit term is generally one to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivable were all aged within six months and were not past due.

As at 31 December 2025, certain of the bills receivable with net carrying amounts of nil (2024: RMB236,000) were pledged to secure certain of the interest-bearing bank borrowings of the Group (note 28).

As at 31 December 2025, certain of the trade receivables with net carrying amounts of RMB148,873,000 (2024:RMB116,553,000) were pledged to secure certain of the interest-bearing bank borrowings of the Group (note 28).

An ageing analysis of the Group's trade and bills receivables, based on the revenue recognition date and net of loss allowance, at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	2,163,357	2,002,842
7 to 12 months	331,919	207,905
1 to 2 years	108,500	100,448
2 to 3 years	13,292	6,132
3 to 4 years	103	954
Total	2,617,171	2,318,281

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	93,113	76,249
Impairment losses, net	5,948	17,526
Amount written off as uncollectible	(701)	(662)
At the end of the year	98,360	93,113

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

20. Trade and bills receivables (Continued)

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management's approval.

During the year, there was no significant fluctuation for the overall expected credit loss rates, so the Group adopted similar expected credit loss rate to prior year.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2025

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit loss RMB'000	Net carrying amount RMB'000
Provision on an individual basis	100.00	8,597	8,597	–
Provision on a collective basis				
Aged less than 6 months	2.00	2,204,819	41,462	2,163,357
Aged 7 to 12 months	5.00	349,388	17,469	331,919
Aged 1 to 2 years	15.00	127,647	19,147	108,500
Aged 2 to 3 years	30.00	18,990	5,698	13,292
Aged 3 to 4 years	80.00	515	412	103
Aged over 4 years	100.00	5,575	5,575	–
Total		2,715,531	98,360	2,617,171



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

20. Trade and bills receivables (Continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix: (Continued)

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit loss RMB'000	Net carrying amount RMB'000
Provision on an individual basis	100.00	15,483	15,483	–
Provision on a collective basis				
Aged less than 6 months	2.00	2,041,930	39,088	2,002,842
Aged 7 to 12 months	5.00	218,847	10,942	207,905
Aged 1 to 2 years	15.00	118,174	17,726	100,448
Aged 2 to 3 years	30.00	8,760	2,628	6,132
Aged 3 to 4 years	80.00	4,770	3,816	954
Aged over 4 years	100.00	3,430	3,430	–
Total		2,411,394	93,113	2,318,281

21. Contract assets

	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Sale of products	23,957	16,866
Impairment	(5,777)	(3,166)
Net carrying amount	18,180	13,700

The expected timing of recovery or settlement for contract assets at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	5,087	546
After one year	13,093	13,154
Total	18,180	13,700

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

21. Contract assets (Continued)

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	3,166	2,507
Impairment losses, net	2,611	659
At the end of the year	5,777	3,166

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing from the invoice of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The expected credit losses on the Group's contract assets for the years ended 31 December 2025 and 2024 were assessed to be minimal. Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix for the years ended 31 December 2025 and 2024:

	2025	2024
Expected credit loss rate	24.11%	18.77%
Gross carrying amount (RMB'000)	23,957	16,866
Expected credit losses (RMB'000)	5,777	3,166





Notes to financial statements (Continued)

31 December 2025

22. Financial assets at fair value through profit or loss and derivative financial instruments

	Notes	2025 RMB'000	2024 RMB'000
Current asset			
wealth management products	(i)	–	86,000
Forward currency contracts		43	3,355
Non-current asset			
Unlisted equity investment, at fair value	(ii)	94,050	–
Current liability			
Derivative financial instruments	(iii)	–	842

- (i) The unlisted investments were wealth management products issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (ii) The Group designated investment in unlisted equity shares as a financial asset at fair value through profit or loss upon initial recognition. The unlisted equity shares were measured at fair value and were classified as Level 2 fair value measurement.
- (iii) The derivative financial instruments were non-deliverable commodity derivative contracts. Commodity derivative contracts utilised by the Group are mainly standardised lead futures contracts on the Shanghai Futures Exchange (“SHFE”).

23. Debt investments at fair value through other comprehensive income

	2025 RMB'000	2024 RMB'000
Current		
Bills receivable	22,534	3,073

Certain of the Group’s bills receivable are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

24. Cash and cash equivalents and restricted cash

	Notes	2025 RMB'000	2024 RMB'000
Cash and bank balances		661,084	426,566
Time deposits		822,495	227,369
Total		1,483,579	653,935
Less:			
Restricted bank deposits:			
Pledged for issuance of bills	(i)	415	388
Pledged for issuance of letters of guarantee	(ii)	68,159	27,245
Pledged for future guarantee	(iii)	12,456	–
Pledged for litigation	(iv)	6,535	3,700
Restricted time deposits:			
Pledged for issuance of bills	(i)	49,122	91,121
Pledged for issuance of letters of guarantee	(ii)	72,658	136,247
Restricted cash:		209,345	258,701
Current portion		172,307	235,134
Non-current portion		37,038	23,567
Cash and cash equivalents		1,274,234	395,234
Denominated in USD		246,014	306,612
Denominated in RMB		1,221,804	341,421
Denominated in EUR		15,594	5,752
Denominated in MYR		167	150
Total		1,483,579	653,935

- (i) As at 31 December 2025, the deposits of RMB49,537,000 (2024: RMB91,509,000) were pledged for issuance of bills payable.
- (ii) As at 31 December 2025, the deposits of RMB140,817,000 (2024: RMB163,492,000) were pledged for issuance of the letters of guarantee in banks to provide guarantees in respect of purchase contracts signed with suppliers.
- (iii) As at 31 December 2025, the bank deposits of RMB12,456,000 (2024: nil) were pledged for future guarantee.
- (iv) As at 31 December 2025, the bank deposits of RMB6,535,000 (2024: RMB3,700,000) were pledged for litigation.





Notes to financial statements (Continued)

31 December 2025

24. Cash and cash equivalents and restricted cash (Continued)

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

25. Trade and bills payables

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	1,413,685	973,979

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 day.

26. Other payables and accruals

	2025 RMB'000	2024 RMB'000
Salary payables	115,807	126,165
Payable for purchase of property, plant and equipment	101,171	223,088
Deposit received	83,325	52,685
Other tax payables	25,350	28,497
Unexpired endorsement transfers	113,639	77,127
Other payables and accruals	41,672	51,116
Total	480,964	558,678

Other payables are unsecured and non-interest-bearing, repayable within 1 year. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

27. Contract liabilities

Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Short-term advances received from customers		
Sales of goods	82,496	39,640

Contract liabilities include advances received to deliver battery products. The changes in contract liabilities during the year were mainly due to the changes in advances received from customers in relation to the sale of battery products.

28. Interest-bearing bank and other borrowings

	Notes	As at 31 December 2025			As at 31 December 2024		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current							
Bank loans – pledged	(b)	2.11-2.15	2026	92,526	2.40-4.55	2025	108,348
Bank loans – guaranteed	(c)	2.11-3.67	2026	68,115	2.40-4.80	2025	67,598
Bank loans – unsecured		2.10-2.99	2026	436,487	2.30-2.54	2025	389,764
Current portion of long term bank loans – pledged and guaranteed	(a)	2.80-3.10	2026	73,016	3.15-3.50	2025	38,516
Current portion of long term bank loans – pledged	(b)	–	–	–	2.60	2025	20,017
Current portion of long term bank loans – guaranteed	(c)	2.55	2026	60,044	2.60-2.70	2025	49,090
Total – current				730,188			673,333
Non-current							
Bank loans – pledged and guaranteed	(a)	2.80-3.10	2027-2029	212,643	2.40-4.80	2026-2029	195,404
Bank loans – guaranteed	(c)	–	–	–	2.55	2026	60,000
Total – non-current				212,643			255,404
Total				942,831			928,737



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

28. Interest-bearing bank and other borrowings (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	730,188	673,333
In the second year	72,765	109,809
In the third to fifth years, inclusive	139,878	145,595
Total	942,831	928,737

- (a) As at 31 December 2025, certain of the Group's bank borrowings with an amount of RMB285,659,000 (2024: RMB233,920,000) were secured by:
- (i) the pledge of certain of the Group's leasehold land with a carrying amount of RMB23,596,000 (2024: RMB24,097,000); and
 - (ii) the pledge of certain of the Group's property, plant and equipment with a carrying amount of RMB285,743,000 (2024: nil);
- (b) As at 31 December 2025, certain of the Group's bank borrowings with an amount of RMB92,526,000 (2024: RMB128,365,000) were secured by:
- (i) the pledge of certain of the Group's leasehold land with a carrying amount of nil (2024: RMB72,790,000);
 - (ii) the pledge of certain of the Group's property, plant and equipment with a carrying amount of RMB29,602,000 (2024: RMB125,114,000);
 - (iii) the pledge of certain of the Group's bills receivable with a carrying amount of nil (2024: RMB236,000);
 - (iv) the pledge of certain of the accounts receivable of the Group, with a carrying amount of RMB148,873,000 (2024: RMB116,553,000).
- (c) As at 31 December 2025, certain of the Group's bank borrowings with an amount of RMB128,159,000 (2024: RMB176,688,000) were guaranteed by the Company.

The financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing bank and other borrowings are normally settled on 240 to 360 days following the due date of comparable trade payables. The range of payment due dates for comparable trade payables is 30 to 90 days after the invoice date.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

28. Interest-bearing bank and other borrowings (Continued)

The Group has established supplier finance arrangements that are offered to the related parties in group or some of the Group's key suppliers in the Chinese mainland with the banks. The Group has the right to choose suppliers and initiate the finance arrangement. Suppliers that participate in the supplier finance arrangements will receive payments at the original due dates on invoices sent to the Group from the banks. For the banks to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. The Group provides the security to the banks and the supplier finance arrangements use the Group's utility in the bank. The Group takes the interest. Upon the maturity date of the debt, the Group must make unconditional payment to the banks and the banks have the right to deduct the payment from the Group's bank account directly.

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing bank and other borrowings in the statement of financial position and within the current portion of unsecured bank loans.

	2025 RMB'000	2024 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in: Interest-bearing bank and other borrowings of which suppliers have received payments	453,903	332,753

For financial liabilities that are part of the supplier finance arrangements included in interest-bearing bank and other borrowings, the related non-cash transaction is disclosed in note 35 to the financial statements.

29. Deferred government grants

	2025 RMB'000	2024 RMB'000
At the beginning of the year	182,499	136,123
Addition	9,000	64,897
Amortisation during the year	(22,745)	(18,521)
At the end of the year	168,754	182,499
Current portion	21,876	20,878
Non-current portion	146,878	161,621





Notes to financial statements (Continued)

31 December 2025

30. Provisions

	2025 RMB'000	2024 RMB'000
At the beginning of the year	38,852	39,863
Addition	60,230	38,436
Amount utilised during the year	(54,730)	(39,447)
At the end of the year	44,352	38,852
Portion classified as current liabilities	8,486	7,158
Non-current portion	35,866	31,694

The Group provides warranties of 3 to 8 years to its customers on the battery products. The amount of the provision for the warranties is estimated based on the Group's recent claims, past warranty data and the weight of all possible results and their related probabilities. Any increase or decrease in provision will affect the profit or loss in future years. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. Share capital

Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 425,610 (2024: 358,269) ordinary shares	425,610	358,269

A summary of movements in the Company's share capital is as follows:

	Note	Number of ordinary shares	Share capital RMB'000
As at 1 January 2024 and 31 December 2024		358,269,000	358,269
Issue of shares	(a)	67,340,500	67,341
As at 31 December 2025		425,609,500	425,610

- (a) In August and September 2025, the Company issued 67,340,500 H shares with a nominal value of RMB1.00 each at a price of HKD14.51 per share by way of initial public offering to global investors. The issuance of these H shares, net of underwriting commission and other listing expenses, resulting in an increase of share capital and share premium by RMB67,340,500 and RMB765,466,169, respectively.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

32. Reserves

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

Capital reserve

The capital reserve mainly comprises the share premium of the Company and the difference between the aggregate of the then net assets of the non-controlling interests acquired and the consideration paid by the Group.

Details of share premium of the Company are included in note 44 to the financial statements.

Reserve funds

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises 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 reserves may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currencies other than RMB.

33. Share incentive scheme

Restricted share awards

The Company operates share incentive schemes (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, supervisors, senior management and other key employees of the Group who, in the opinion of the board of directors, contribute directly to the overall business performance and sustainable development of the Group. The Scheme became effective on 30 June 2019.

During 2019 to 2024, a total of 37,365,000 shares of the Company were awarded to the directors of the Company and employees of the Group. For each grant of share awards, the grantees need to meet service requirements from the date of grant to the later of (1) the fifth anniversary of the grant date and (2) the successful listing of the Company on 26 August 2025. The fair value is determined by an external valuer using the Market Approach – Comparable Companies Multiple Method or backsolve method taking into the terms and conditions upon which the awarded shares were granted. The amount of RMB17,076,000 (2024: RMB22,539,000) in respect of the shares under the Scheme was recognised as an expense and included in staff costs for the year ended 31 December 2025.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these shares. The Group accounts for the Scheme as an equity-settled plan.



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

33. Share incentive scheme (Continued)

Restricted share awards (Continued)

Any dividends declared in respect of the shares awarded during the lock-up restricted period belong to the participants. However, the participants do not have any voting right in respect of the shares awarded during the lock-up restricted period.

The following shares were outstanding under the Scheme during the year:

	Number of shares
As at 1 January 2024	28,480,000
Granted during the year	4,250,000
Forfeited during the year	(550,000)
As at 31 December 2024 and 1 January 2025	32,180,000
Vested during the year	(18,200,000)
Forfeited during the year	(830,000)
As at 31 December 2025	13,150,000

The weighted average remaining contractual lives for the outstanding restricted shares granted were 0.93 years and 1.54 years as of the end of the reporting period, respectively.

34. Disposal of a subsidiary

	2025 RMB'000	2024 RMB'000
Net assets disposed of:		
Current assets	–	7,577
Current liabilities	–	(1,430)
Subtotal	–	6,147
Loss on disposal	–	(147)
Total consideration	–	6,000
Satisfied by:		
Cash	–	6,000

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

34. Disposal of a subsidiary (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Cash consideration	–	6,000
Cash and bank balances disposed of	–	(360)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	–	5,640

35. Notes to the consolidated statements of cash flows

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB16,792,000 (2024: RMB14,481,000) in respect of lease arrangements for buildings.

During the year ended 31 December 2025, the Group reclassified trade payables of RMB656,909,000 (2024: RMB313,182,000) to interest-bearing bank and other borrowings in respect of the supplier finance arrangements.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2025

	Bank loans RMB'000	Lease liabilities RMB'000
At 1 January 2025	928,737	16,614
Changes from financing cash flows	(669,313)	(11,827)
Additions of lease liabilities	–	16,792
Disposal as a result of decrease of the scope of a lease	–	(262)
Increase arising from supplier finance arrangements	656,909	–
Foreign exchange movement	(830)	38
Interest expense (note 7)	27,328	623
At 31 December 2025	942,831	21,978



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

35. Notes to the consolidated statements of cash flows (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

Year ended 31 December 2024

	Bank loans RMB'000	Lease liabilities RMB'000
At 1 January 2024	707,953	10,389
Changes from financing cash flows	(117,270)	(9,113)
Interest capitalised (note 7)	3,880	–
Additions of lease liabilities	–	14,481
Increase arising from supplier finance arrangements	313,182	–
Foreign exchange movement	1,681	326
Interest expense (note 7)	19,311	531
At 31 December 2024	928,737	16,614

(c) Total cash outflow for leases

	2025 RMB'000	2024 RMB'000
Within operating activities	5,978	5,817
Within financing activities	11,827	9,113
Total	17,805	14,930

36. Commitments

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Purchase of items of property, plant and equipment	50,784	160,414

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

37. Pledge of assets

Details of the Group's restricted time deposits and bank deposits pledged for issuance of the Group's bills payable to suppliers, letters of guarantee and future guarantee are included in note 24 to the financial statements.

Details of the Group's property, plant and equipment pledged for the Group's bank borrowings are included in note 13 and note 28 to the financial statements.

Details of the Group's leasehold land pledged for the Group's bank borrowings are included in note 14 and note 28 to the financial statements.

Details of the Group's bills receivable pledged for the Group's bank borrowings are included in note 20 and note 28 to the financial statements.

Details of the Group's trade receivables pledged for the Group's bank borrowings are included in note 20 and note 28 to the financial statements.

Details of the Group's other receivables pledged for the Group's future guarantee are included in note 17 to the financial statements.

38. Related party transactions

(a) Name and relationship

Name of related party*	Relationship with the Company
Dr. Yang Baofeng ("楊寶峰")	Executive director and deputy general manager, core technical staff
Shuangdeng Cable Co., Ltd. ("雙登電纜股份有限公司")**	Company controlled by Dr. Yang Rui
Jiangsu Fushanda New Energy Technology Co., Ltd. ("江蘇福善達新能源科技有限公司")**	Company controlled by Dr. Yang Rui
Jiangsu Shuangdeng Group Limited ("江蘇雙登集團有限公司")	Company controlled by Mr. Yang Shanji
Jiangsu Weili Energy Materials Co., Ltd. ("江蘇維鋰新能源材料有限公司")	Company controlled by Mr. Yang Shanji's nephew
Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd. ("雙登天鵬冶金江蘇有限公司")	Associate of the Company

* The English names of these companies registered in the PRC represent the translated names of these companies as no English names have been registered.

** Before August 2024, Shuangdeng Cable Co., Ltd. and Jiangsu Fushanda New Energy Technology Co., Ltd. were controlled by Mr. Yang Shanji. Since August 2024, Shuangdeng Cable Co., Ltd. and Jiangsu Fushanda New Energy Technology Co., Ltd. have been controlled by Dr. Yang Rui.



Notes to financial statements (Continued)

31 December 2025

38. Related party transactions (Continued)

(b) The Group had the following material related party transactions during the year:

	Notes	2025 RMB'000	2024 RMB'000
Sales of goods to:			
Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd.	(i)	39,236	33,500
Jiangsu Weili Energy Materials Co., Ltd.	(i)	299	–
Total		39,535	33,500
Purchases of products/services from:			
Jiangsu Fushanda New Energy Technology Co., Ltd.	(i)	24,838	20,243
Shuangdeng Cable Co., Ltd.	(i)	1,024	557
Jiangsu Weili Energy Materials Co., Ltd.	(i)	816	–
Total		26,678	20,800
Rental expenses to:			
Jiangsu Shuangdeng Group Limited	(ii)	5,482	5,085

(c) Outstanding balances with related parties

	Notes	2025 RMB'000	2024 RMB'000
Trade related:			
Due to related parties			
Jiangsu Fushanda New Energy Technology Co., Ltd.	(iii)	2,803	4,946
Shuangdeng Cable Co., Ltd.	(iii)	440	674
Shuangdeng Tianpeng Metallurgical Jiangsu Co., Ltd.	(iii)	180	100
Jiangsu Weili Energy Materials Co., Ltd.	(iii)	100	–
Total		3,523	5,720
Trade related:			
Due from a related party			
Jiangsu Weili Energy Materials Co., Ltd.	(iv)	617	–

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

38. Related party transactions (Continued)

(c) Outstanding balances with related parties (Continued)

- (i) The prices are mutually agreed after taking the prevailing market prices into consideration.
- (ii) The Group has entered into lease agreements in respect of buildings from Jiangsu SHUANGDENG Group Limited. The rental fees under the lease were RMB5,482,000 for the year ended 31 December 2025 (2024: RMB5,085,000). The Group recognised right-of-use assets of RMB12,131,000 (2024: RMB2,129,000), and lease liabilities of RMB11,930,000 (2024: RMB2,834,000) as at December 2025. The transactions were made according to the prices and terms agreed with the related parties.
- (iii) The amounts due to related parties are unsecured, interest-free and have no fixed terms of repayment.
- (iv) The amounts due from a related party is unsecured, interest-free and repayable on demand. The management of the Company considers there is no significant credit risk for amounts due from a related party.

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	5,388	5,472
Performance related bonuses	3,571	12,289
Share incentive plan expense	8,737	6,826
Total	17,696	24,587

39. Transfers of financial assets

Transferred financial assets that are not derecognised in their entirety

At 31 December 2025, the Group endorsed certain bills receivable (the "Endorsed Bills") with a carrying amount of RMB113,639,000 (2024: RMB77,127,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). 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 accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables 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. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB222,331,000 as at 31 December 2025 (2024: RMB169,948,000).





Notes to financial statements (Continued)

31 December 2025

39. Transfers of financial assets (Continued)

Transferred financial assets that are not derecognised in their entirety (Continued)

At 31 December 2025, the Group discounted certain bills receivable (the “Discounted Bills”) with a carrying amount of nil (2024: RMB236,000) (the “Discounting”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated banking borrowings. Subsequent to the Discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amount of the Discounted Bills during the year to which the banks have recourse were RMB24,404,000 as at 31 December 2025 (2024: RMB32,523,000).

Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group endorsed certain bills receivable that were not due accepted by banks in the Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB254,184,000 (2024: RMB224,773,000), and discounted certain bills receivable that were not due accepted by banks in the Chinese mainland (the “Derecognised Bills”) with a carrying amount of nil (2024: RMB32,354,000). The Derecognised Bills had a maturity of one to six months at 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, disregarding 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.

During the year ended 31 December 2025, the Group has recognised losses of nil (2024: nil) on the date of transfer of the Derecognised Bills.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

40. Financial instruments by category

The carrying amounts of the categories of financial instruments of the Group at the end of the reporting period are as follows:

Financial assets

As at 31 December 2025

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income	–	22,534	–	22,534
Trade and bills receivables	–	–	2,617,171	2,617,171
Financial assets included in prepayments, other receivables and other assets	–	–	24,488	24,488
Due from a related party	–	–	617	617
Financial assets at fair value through profit or loss	94,050	–	–	94,050
Derivative financial instruments	43	–	–	43
Restricted cash	–	–	209,345	209,345
Cash and cash equivalents	–	–	1,274,234	1,274,234
Total	94,093	22,534	4,125,855	4,242,482



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

40. Financial instruments by category (Continued)

The carrying amounts of the categories of financial instruments of the Group at the end of the reporting period are as follows: (Continued)

Financial assets (Continued)

As at 31 December 2024

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income	–	3,073	–	3,073
Trade and bills receivables	–	–	2,318,281	2,318,281
Financial assets included in prepayments, other receivables and other assets	–	–	41,249	41,249
Financial assets at fair value through profit or loss	86,000	–	–	86,000
Derivative financial instruments	3,355	–	–	3,355
Restricted cash	–	–	258,701	258,701
Cash and cash equivalents	–	–	395,234	395,234
Total	89,355	3,073	3,013,465	3,105,893

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

40. Financial instruments by category (Continued)

The carrying amounts of the categories of financial instruments of the Group at the end of the reporting period are as follows: (Continued)

Financial liabilities

As at 31 December 2025

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Due to related parties	–	3,523	3,523
Financial liabilities included in other payables and accruals	–	339,807	339,807
Trade and bills payables	–	1,413,685	1,413,685
Interest-bearing bank and other borrowings	–	942,831	942,831
Lease liabilities	–	21,978	21,978
Total	–	2,721,824	2,721,824

As at 31 December 2024

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Due to related parties	–	5,720	5,720
Financial liabilities included in other payables and accruals	–	229,966	229,966
Trade and bills payables	–	973,979	973,979
Interest-bearing bank and other borrowings	–	928,737	928,737
Lease liabilities	–	16,614	16,614
Derivative financial instruments	842	–	842
Total	842	2,155,016	2,155,858





Notes to financial statements (Continued)

31 December 2025

41. Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments and other receivables, trade and bills receivables, amounts due from related parties, trade and bills payables, financial liabilities included in other payables and accruals, due to related parties and current portion of interest-bearing bank 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. 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 following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2025 were assessed to be insignificant.

The Group invests in unlisted investments, which represent wealth management products issued by banks in the Chinese mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair values have been assessed to be approximate to their carrying amounts.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including foreign currency swaps, are measured using valuation techniques similar to swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of foreign currency swaps are the same as their fair values.

The fair values of unlisted equity investments which had recent history of share transactions are based on observable market transaction prices.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

41. Fair value and fair value hierarchy of financial instruments (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Debt investments at fair value through other comprehensive income	–	22,534	–	22,534
Financial assets at fair value through profit or loss	–	94,050	–	94,050
Derivative financial instruments	–	43	–	43
Total	–	116,627	–	116,627

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Debt investments at fair value through other comprehensive income	–	3,073	–	3,073
Financial assets at fair value through profit or loss	–	86,000	–	86,000
Derivative financial instruments	–	3,355	–	3,355
Total	–	92,428	–	92,428





Notes to financial statements (Continued)

31 December 2025

41. Fair value and fair value hierarchy of financial instruments (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 31 December 2025

The Group did not have any financial liabilities measured at fair value as at 31 December 2025.

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Derivative financial instruments	842	–	–	842

During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

42. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents and bank borrowings. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The management of the Company and the Financial Instruments Division is responsible for the daily risk management by the operation management through functional departments (e.g., the Company's Credit Management Department reviews the credit sales incurred by the Company on a case-by-case basis). The Company's Internal Audit Department conducts daily supervision of the implementation for the Company's risk management policies and procedures, and reports the relevant findings in a timely manner to the Company's Audit Committee. The overall objective of the Company's risk management is to establish risk management policies that minimises the risks associated with various types of financial instruments without unduly affecting the Company's competitiveness and resilience.

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

42. Financial risk management objectives and policies (Continued)

Interest rate risk

The Group's exposure to the risk of changes in fair value relates primarily to the Group's bank borrowings with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's profit after tax through the impact on floating rate borrowings and the Group's equity.

	Increase/(decrease) in basis points	(Decrease)/increase in profit/(loss) after tax RMB'000	(Decrease)/increase in equity RMB'000
2025			
RMB	100	(445)	(445)
RMB	(100)	445	445
2024			
RMB	100	(1,044)	(1,044)
RMB	(100)	1,044	1,044

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in USD and RMB exchange rates, with all other variables held constant, of the Group's profit or loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	(Decrease)/increase in foreign exchange rate%	(Decrease)/increase in profit/(loss) after tax RMB'000	(Decrease)/increase in equity RMB'000
2025			
If RMB strengthens against USD	(5)	(22,827)	(22,827)
If RMB weakens against USD	5	22,827	22,827
2024			
If RMB strengthens against USD	(5)	(21,367)	(21,367)
If RMB weakens against USD	5	21,367	21,367

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

42. Financial risk management objectives and policies (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties and there is no requirement for collateral. 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 and the Group's exposure to bad debts is not significant. Concentrations of credit risk are managed by customer/counterparty and by industry sector.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and year-end staging classification as at the end of the reporting period. The amounts presented are gross amounts for financial assets.

31 December 2025

	12 months ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Debt investments at fair value through other comprehensive income	22,534	–	–	–	22,534
Trade and bills receivables*	–	–	–	2,715,531	2,715,531
Contract assets*	–	–	–	23,957	23,957
Financial assets included in prepayments, other receivables and other assets – Normal**	31,091	–	–	–	31,091
Due from a related party	617	–	–	–	617
Restricted cash	209,345	–	–	–	209,345
Cash and cash equivalents	1,274,234	–	–	–	1,274,234
Total	1,537,821	–	–	2,739,488	4,277,309

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

42. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

31 December 2024

	12 months ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Debt investments at fair value through other comprehensive income	3,073	–	–	–	3,073
Trade and bills receivables*	–	–	–	2,411,394	2,411,394
Contract assets*	–	–	–	16,866	16,866
Financial assets included in prepayments, other receivables and other assets – Normal**	45,937	–	–	–	45,937
Restricted cash	258,701	–	–	–	258,701
Cash and cash equivalents	395,234	–	–	–	395,234
Total	702,945	–	–	2,428,260	3,131,205

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 and note 21 to the financial statements.

** 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”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables and other receivables are respectively disclosed in notes 20 and 17 to the financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as 29% and 42% of the Group’s trade and bills receivables were due from the Group’s five largest customers.





Notes to financial statements (Continued)

31 December 2025

42. Financial risk management objectives and policies (Continued)

Liquidity risk

The Group monitors its exposure to liquidity risk by regularly monitoring short-term and long-term liquidity requirements, as well as compliance with borrowing agreements to ensure that adequate cash reserves and readily realisable liquidity are maintained.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

According to the Group's supplier finance arrangements, the relevant interest-bearing bank and other borrowings are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for interest-bearing bank and other borrowings covered by the arrangements are either identical to the payment terms for other interest-bearing bank and other borrowings or extended by approximately 240 to 360 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given the payment terms are not significantly extended. Details of the arrangements are disclosed in note 28 to the financial statements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025				Total RMB'000
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	–	11,106	12,019	–	23,125
Interest-bearing bank and other borrowings	–	730,188	223,302	–	953,490
Trade and bills payables	–	1,413,685	–	–	1,413,685
Financial liabilities included in other payables and accruals	–	339,807	–	–	339,807
Due to related parties	380	3,143	–	–	3,523
Total	380	2,497,929	235,321	–	2,733,630

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

42. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	As at 31 December 2024				Total RMB'000
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	–	8,344	8,821	–	17,165
Interest-bearing bank and other borrowings	–	687,292	268,736	–	956,028
Trade and bills payables	–	973,979	–	–	973,979
Financial liabilities included in other payables and accruals	–	229,966	–	–	229,966
Due to related parties	280	5,440	–	–	5,720
Total	280	1,905,021	277,557	–	2,182,858

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. 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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

43. Events after the reporting period

There is no material subsequent event undertaken by the Group after 31 December 2025.



Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

44. Statement of financial position of the company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	341,676	345,875
Right-of-use assets	87,463	83,474
Other intangible assets	5,597	5,746
Investment in associates	10,262	10,263
Investments in subsidiaries	298,575	297,015
Prepayments, other receivables and other assets	513	1,567
Financial assets at fair value through profit or loss	94,050	–
Contract assets	13,093	13,154
Deferred tax assets	41,083	42,767
Restricted cash	23,825	22,992
Total non-current assets	916,137	822,853
CURRENT ASSETS		
Inventories	542,152	331,651
Trade and bills receivables	2,478,332	2,287,046
Contract assets	5,088	546
Prepayments, other receivables and other assets	119,386	75,640
Financial assets at fair value through profit or loss	–	86,000
Derivative financial instruments	43	3,355
Debt investments at fair value through other comprehensive income	22,462	3,073
Due from related parties	200,378	82,024
Restricted cash	132,393	199,500
Cash and cash equivalents	1,239,663	349,502
Total current assets	4,739,897	3,418,337

Audited Financial Statements (Continued)



Notes to financial statements (Continued)

31 December 2025

44. Statement of financial position of the company (Continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES		
Trade and bills payables	688,842	667,276
Other payables and accruals	312,387	285,840
Derivative financial instruments	–	842
Contract liabilities	81,253	36,470
Interest-bearing bank and other borrowings	642,172	625,642
Deferred government grants	10,167	10,797
Lease liabilities	8,764	6,917
Tax payable	–	22,374
Due to related parties	584,300	179,331
Provisions	8,486	7,158
Total current liabilities	2,336,371	1,842,647
NET CURRENT ASSETS	2,403,526	1,575,690
TOTAL ASSETS LESS CURRENT LIABILITIES	3,319,663	2,398,543
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	–	60,000
Deferred government grants	36,583	46,737
Lease liabilities	7,717	4,624
Provisions	35,866	31,694
Total non-current liabilities	80,166	143,055
Net assets	3,239,497	2,255,488
EQUITY		
Share capital	425,610	358,269
Other reserves (note)	2,813,887	1,897,219
Total equity	3,239,497	2,255,488





Notes to financial statements (Continued)

31 December 2025

44. Statement of financial position of the company (Continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Share-based compensation reserve RMB'000	Reserve funds RMB'000	Retained profits RMB'000	Total reserves RMB'000
As at 1 January 2024	420,692	50,037	156,552	1,021,498	1,648,779
Profit for the year	–	–	–	299,704	299,704
Share-based compensation reserve	–	22,539	–	–	22,539
Dividend	–	–	–	(73,803)	(73,803)
Appropriation to statutory reserves	–	–	29,970	(29,970)	–
At 31 December 2024	420,692	72,576	186,522	1,217,429	1,897,219
Profit for the year	–	–	–	195,032	195,032
Issue of shares	820,692	–	–	–	820,692
Share issue expenses	(55,226)	–	–	–	(55,226)
Share-based compensation reserve	–	17,076	–	–	17,076
Dividend	–	–	–	(60,906)	(60,906)
Appropriation to statutory reserves	–	–	21,097	(21,097)	–
At 31 December 2025	1,186,158	89,652	207,619	1,330,458	2,813,887

45. Approval of the financial statements

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

Four Years Financial Summary



CONSOLIDATED RESULTS

	Year ended 31 December			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	5,083,445	4,498,522	4,259,777	4,072,480
Gross profit	709,211	750,883	866,768	689,596
Profit before tax	300,156	402,712	446,178	318,670
Profit for the year	255,524	353,331	385,203	281,025
Total comprehensive income for the year and attributable to owners of the parent and non-controlling interests	255,470	353,564	385,167	280,986

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Non-current assets	1,570,612	1,520,411	1,382,574	1,047,929
Current assets	5,023,462	3,640,419	2,945,328	2,989,424
Total assets	6,594,074	5,160,930	4,327,902	4,037,353
Non-current liabilities	406,918	457,316	451,877	158,620
Current liabilities	2,755,248	2,316,153	1,790,864	2,150,605
Total liabilities	3,162,166	2,773,469	2,242,741	2,309,225
Total equity	3,431,908	2,387,461	2,085,161	1,728,128



Definitions



“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Alibaba”	Alibaba Group Holding Limited, a limited liability company established under the laws of Cayman on 28 June 1999, which is a customer of the Company
“Annual General Meeting”	the annual general meeting of the Company to be held on Tuesday, 26 May 2026
“Articles of Association”	the articles of association of the Company with effect from Listing, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor”	Ernst & Young, the auditor of the Company
“Award Offers”	has the meaning ascribed to it under the paragraph headed “Share Schemes – 1. Pre-IPO Employee Incentive Schemes – (b) Participants” in the report of the Directors
“Baidu”	Baidu, Inc., a company incorporated in Cayman with limited liability on 18 January 2000, which is a customer of the Company
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
“China” or the “PRC”	the People’s Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“ChinData”	Chindata Group Holdings Limited, a limited liability company established under the laws of Cayman on 27 December 2018, which is a customer of the Company

Definitions (Continued)



"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Company", "our Company" or "the Company" or "Shuangdeng"	SHUANGDENG GROUP CO., LTD. (雙登集團股份有限公司), a joint stock company with limited liability incorporated on 28 December 2011
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Connected Suppliers"	has the meaning ascribed to it under the paragraph headed "Continuing Connected Transactions" in the report of the Directors
"Connected Supplier's Agreements"	has the meaning ascribed to it under the paragraph headed "Continuing Connected Transactions – B. Provision of products by Shuangdeng Cable" in the report of the Directors
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Continuing Connected Transactions"	has the meaning ascribed to it in the paragraph headed "Continuing Connected Transactions – Confirmation from the independent non-execution Directors" in the report of Directors
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of our Company
"Dr. Yang" or "Dr. Yang Rui"	Dr. Yang Rui (楊銳), chairman of the Board, executive Director and chief executive officer of our Company
"Employee Incentive Platform(s)"	Taizhou Heying and/or Taizhou Hexin
"Employee Incentive Scheme"	the employee incentive schemes adopted by our Company in June 2019 and December 2022 the principal terms of which are set out in "Share Schemes – 1. Pre-IPO Employee Incentive Schemes" in the report of the Directors
"Ericsson"	Telefonaktiebolaget LM Ericsson, a public limited company established under the laws of Sweden on 19 August 1918, which is a customer of the Company
"ESG"	Environmental, Social and Governance
"ESG Committee"	the ESG committee of the Company
"GDS"	GDS Holdings Limited, a limited liability company established under the laws of Cayman on 1 December 2006, which is a customer of the Company



Definitions (Continued)



“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huifeng Juneng”	Beijing Shuangdeng Huifeng Juneng Technology Co., Ltd. (北京雙登慧峰聚能科技有限公司), formerly known as Beijing Huifeng Juneng Technology Co., Ltd. (北京慧峰聚能科技有限公司), a company incorporated in the PRC with limited liability on 5 March 2012 and a wholly owned subsidiary of our Company
“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board (IASB) and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“JD.com”	JD.com, Inc., a company incorporated in the BVI on 6 November 2006 and subsequently redomiciled to the Cayman Islands on 16 January 2014 as an exempted company under the laws of the Cayman Islands, which is a customer of the Company
“Jiangsu Fushanda”	has the meaning ascribed to it under the paragraph headed “Continuing Connected Transactions – A. Provision of products by Jiangsu Fushanda New Energy Technology Co., Ltd. (江蘇福善達新能源科技有限公司)” in the report of the Directors
“Jiangsu Fushanda Framework Purchase Agreement”	has the meaning ascribed to it under the paragraph headed “Continuing Connected Transactions – A. Provision of products by Jiangsu Fushanda New Energy Technology Co., Ltd. (江蘇福善達新能源科技有限公司)” in the report of the Directors
“Jiangsu Shuangdeng”	Jiangsu Shuangdeng Group Limited (江蘇雙登集團有限公司), a company incorporated in the PRC with limited liability on 15 October 2002 and a wholly-owned subsidiary of Wealth Source Development Limited (富源發展有限公司), a company controlled by Mr. Yang
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

Definitions (Continued)



“Listing Date”	26 August 2025, the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Mr. Yang”	Mr. Yang Shanji (楊善基), one of our Controlling Shareholders and father of Dr. Yang
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Pre-IPO Employee Incentive Schemes”	the Pre-IPO Employee Incentive Schemes
“Prospectus”	the prospectus of the Company dated 18 August 2025
“Related Party Transactions”	has the meaning ascribed to it under the paragraph headed “Continuing Connected Transactions” in the report of the Directors
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period” or “Reporting Year”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“Schemes”	has the meaning ascribed to it under the paragraph headed “Share Schemes – 1. Pre-IPO Employee Incentive Schemes” in the report of the Directors
“Scheme Documents”	has the meaning ascribed to it under the paragraph headed “Share Schemes – 1. Pre-IPO Employee Incentive Schemes – (b) Participants” in the report of the Directors
“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 capital of our Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares

Definitions (Continued)



“Shareholder(s)”	holder(s) of the Share(s)
“Shuangdeng Cable”	has the meaning ascribed to it under the paragraph headed “Continuing Connected Transactions – A. Provision of products by Jiangsu Fushanda New Energy Technology Co., Ltd. (江蘇福善達新能源科技有限公司)” in the report of the Directors
“Shuangdeng Cable Framework Purchase Agreement”	has the meaning ascribed to it under the paragraph headed “Continuing Connected Transactions – B. Provision of products by Shuangdeng Cable” in the report of the Directors
“Shuangdeng Energy Storage”	Hubei Shuangdeng Energy Storage Technology Co., Ltd. (湖北雙登儲能科技有限公司), a company incorporated in the PRC with limited liability on 23 December 2022 and a wholly-owned subsidiary of our Company
“Shuangdeng Front”	Jiangsu Shuangdeng Front New Energy Co., Ltd. (江蘇雙登富朗特新能源有限公司), formerly known as Jiangsu Front New Energy Co., Ltd. (江蘇富朗特新能源有限公司), a company incorporated in the PRC with limited liability on 13 November 2006 and a wholly-owned subsidiary of our Company
“Shuangdeng Investment”	Shuangdeng Investment Management (Shanghai) Co., Ltd. (雙登投資管理(上海)有限公司), a company incorporated in the PRC with limited liability on 24 December 2015 and is owned as to 80% and 20% by Mr. Yang and his spouse, Ms. Qian Wuzhen (錢五珍), respectively, one of our Controlling Shareholders
“Shuangdeng Runyoung”	Hubei Shuangdeng Runyoung New Energy Co., Ltd. (湖北雙登潤陽新能源有限公司), formerly known as Hubei Shuangdeng Runyoung New Energy Co., Ltd. (湖北潤陽新能源有限公司), a company incorporated in the PRC with limited liability on 20 July 2007 and a wholly-owned subsidiary of our Company
“Shuangdeng Technology”	Nanjing Shuangdeng Technology Development Research Institute Co., Ltd. (南京雙登科技發展研究院有限公司)
“Strategy Committee”	the strategy committee of the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company

Definitions (Continued)



“Taizhou Hanfu”	Taizhou Hanfu Investment Co., Ltd. (泰州涵富投資有限責任公司), a company incorporated in the PRC with limited liability on 3 December 2015 and wholly owned by Mr. Yang, one of our Controlling Shareholders
“Taizhou Hechuang”	Taizhou Hechuang Investment Management Center (Limited Partnership) (泰州合創投資管理中心(有限合夥)), a limited partnership established in the PRC on 15 December 2015 with Taizhou Hanfu, a company wholly owned by Mr. Yang, acting as the general partner, one of our Controlling Shareholders
“Taizhou Hexin”	Taizhou Hexin Enterprise Management Center (Limited Partnership) (泰州合鑫企業管理中心(有限合夥)), a limited partnership established in the PRC on 17 March 2020 with Taizhou Hechuang acting as the general partner, one of our Controlling Shareholders and our Employee Incentive Platform
“Taizhou Heying”	Taizhou Heying Enterprise Management Center (Limited Partnership) (泰州市合贏企業管理中心(有限合夥)), a limited partnership established in the PRC on 15 July 2019 with Taizhou Hechuang acting as the general partner, one of our Controlling Shareholders and our Employee Incentive Platform
“Telenor”	Telenor ASA, a state-owned public company established under the laws of Norway on 21 July 2000, which is a customer of the Company
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“Vodafone”	Vodafone Group Plc, a public limited company established under the laws of the UK on 17 July 1984, which is a customer of the Company
“%”	per cent

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities (if any) referred to in this annual report are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and figures rounded to the nearest thousand, million or billion may not be identical to figures that have been rounded differently to them.

